

Annual
Report
2008



EMCOM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8220

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香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往盈利記錄，亦毋須預測未來盈利。此外，於創業板上市之公司或會由於其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。基於創業板之較高風險及其他特色，表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司之新興性質使然，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時亦不保證在創業板買賣之證券會有高流通量之市場。

創業板所發佈之資料主要在聯交所為創業板而設之互聯網網站上刊登。創業板上市公司一般毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資者應注意瀏覽創業板網站，以便取得創業板上市發行人之最新資料。



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This report, for which the directors of Emcom International Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The directors of the Company (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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本報告乃遵照聯交所《創業板證券上市規則》（「創業板上市規則」）之規定提供有關帝通國際有限公司（「本公司」）之資料。各董事共同及個別對本報告承擔全部責任。本公司董事（「董事」）於作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均為真確及完整，且並無誤導成分；(2)本報告並無遺漏任何其他事項，致使其所作任何聲明有所誤導；及(3)本報告所表達之一切意見乃經審慎周詳考慮，並按公平合理之基準及假設而作出。

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Yong Wai Hong (*Chairman and Chief Executive Officer*)
Lam Kwok Ho

Independent Non-Executive Directors

Chan Cheong Yee
Tsang Fung Chu
Wong Chi Keung Patrick

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Lai Yick Fung

COMPLIANCE OFFICER

Yong Wai Hong

AUDIT COMMITTEE

Tsang Fung Chu
Chan Cheong Yee
Wong Chi Keung Patrick

REMUNERATION COMMITTEE

Chan Cheong Yee
Tsang Fung Chu
Wong Chi Keung Patrick

AUTHORIZED REPRESENTATIVE

Yong Wai Hong

AUDITOR

CCIF CPA Limited
Certified Public Accountants

董事會

執行董事

楊偉康 (*主席兼行政總裁*)
林國浩

獨立非執行董事

陳昌義
曾鳳珠
黃志強

公司秘書及合資格會計師

賴益豐

監察主任

楊偉康

審核委員會

曾鳳珠
陳昌義
黃志強

薪酬委員會

陳昌義
曾鳳珠
黃志強

法定代表

楊偉康

核數師

陳葉馮會計師事務所有限公司
執業會計師

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
 ABN AMRO Bank
 DBS Bank (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive,
 P.O. Box 2681, Grand Cayman
 KY1-1111, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

30th Floor, Times Media Centre
 133 Wan Chai Road, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES**Principal Registrar**

Bank of Bermuda (Cayman) Limited
 P.O. Box 513 G.T. Strathvale House
 North Church Street, George Town
 Grand Cayman, Cayman Islands
 British West Indies

Branch Registrar

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

STOCK CODE

8220

主要往來銀行

香港上海滙豐銀行有限公司
 荷蘭銀行
 星展銀行(香港)有限公司

註冊辦事處

Cricket Square, Hutchins Drive,
 P.O. Box 2681, Grand Cayman
 KY1-1111, Cayman Islands

總辦事處及主要營業地點

香港灣仔道133號
 星航資訊中心30樓

股份過戶登記處**股份過戶登記總處**

Bank of Bermuda (Cayman) Limited
 P.O. Box 513 G.T. Strathvale House
 North Church Street, George Town
 Grand Cayman, Cayman Islands
 British West Indies

股份過戶登記分處

卓佳登捷時有限公司
 香港灣仔
 皇后大道東28號
 金鐘匯中心26樓

股份代號

8220

Directors' Business Review

董事業務回顧

On behalf of the Board of Directors (the "Board"), I hereby present the annual report of Emcom International Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2008 to our shareholders.

GENERAL

The Group is principally engaged in, among other things, the manufacturing and selling of electronics consumer products including electronic telecommunication, office automation and network products and the provision of telecommunication services. One of the objectives of the Group is to become a leading and major developer, producer and distributor world-wide by development, production and distribution of all kinds of high quality electronic telecommunication, office automation and network products adapted to the needs of the market. On the other hand, the telecommunication business run under the brand name of EmCall spearheads the marketing of telecommunication services to various market segments covering South East Asia, Taiwan and Hong Kong.

FINANCIAL REVIEW

During the year under review, the Group recorded a total turnover of approximately HK\$98,779,000 (2007: HK\$63,072,000). Loss attributable to shareholders for the year was approximately HK\$27,067,000 (2007: HK\$28,510,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group had total assets of approximately HK\$116,368,000 (31 March 2007: HK\$83,871,000), including cash and cash equivalents of approximately HK\$39,612,000 (31 March 2007: HK\$8,624,000). There was pledged bank deposit of HK\$150,000 as at 31 March 2008 (31 March 2007: Nil).

本人謹代表董事會(「董事會」)向股東呈述帝通國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零八年三月三十一日止年度之年報。

總覽

本集團之主要業務為(其中包括)製造及銷售電子消費產品,當中包括電子通訊、辦公室自動化設備及網絡產品等,以及提供電訊服務。本集團其中一個目標是藉研發、生產及銷售適應市場需要及高品質之電子通訊、辦公室自動化設備及網絡產品,從而成為全球該行業之主要廠家及首屈一指之供應及分銷商。另一方面,「帝易通」品牌經營之電訊業務率先向涵蓋東南亞、台灣及香港之多個市場分部營銷電訊服務。

財務回顧

於回顧年度,本集團錄得總營業額約98,779,000港元(二零零七年:63,072,000港元)。年內股東應佔虧損約為27,067,000港元(二零零七年:28,510,000港元)。

流動資金及財政資源

於二零零八年三月三十一日,本集團之總資產約為116,368,000港元(二零零七年三月三十一日:83,871,000港元),包括現金及現金等值物約39,612,000港元(二零零七年三月三十一日:8,624,000港元)。於二零零八年三月三十一日,本集團已抵押銀行存款為150,000港元(二零零七年三月三十一日:無)。

The Group financed its operations and investing activities mainly with its internally generated cash flows, net proceeds in the amount of HK\$30,600,000 from placement of 1,800,000,000 new shares at issue price of HK\$0.017 per share in July 2007 and net proceeds from issue of convertible note in the principal amount of US\$8,000,000 in October 2007. As at 31 March 2007, there were secured bank loans of approximately HK\$25,293,000 (31 March 2008: Nil). As at 31 March 2008, a bank deposit amounted to HK\$150,000 was pledged to bank for securing bank facility (31 March 2007: Nil).

As at 31 March 2008, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.68 (31 March 2007: approximately 0.85).

CAPITAL STRUCTURE

The shares of the Company were listed on GEM on 12 November 2002. During the year under review, the Company issued 1,800,000,000 shares to Emcom Limited pursuant to the placement completed on 31 July 2007 and further issued 41,548,253 shares to Mr. Zhang Jian Hua pursuant to the share transaction more particularly described in the Company's announcement dated 6 February 2008. As such, the number of issued and fully-paid shares of the Company increased to 2,478,980,253 as at 31 March 2008.

EMPLOYEES

As at 31 March 2008, the Group had 32 (31 March 2007: 212) staff including directors based in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$7,035,000 during the year under review (31 March 2007: HK\$3,366,000).

本集團主要透過其內部產生之現金流、於二零零七年七月以每股0.017港元之發行價配售1,800,000,000股新股份之所得款項淨額30,600,000港元，以及於二零零七年十月發行本金額8,000,000美元之可換股票據之所得款項淨額，為旗下業務及投資活動融資。於二零零七年三月三十一日，有抵押銀行貸款約為25,293,000港元(二零零八年三月三十一日：零)。於二零零八年三月三十一日，一項為數150,000港元之銀行存款已質押予銀行，作為銀行信貸之抵押(二零零七年三月三十一日：無)。

本集團於二零零八年三月三十一日之負債比率(定義為總負債除以總資產)約為0.68(二零零七年三月三十一日：約0.85)。

資本架構

本公司股份於二零零二年十一月十二日在創業板上市。於回顧年內，本公司根據於二零零七年七月三十一日完成之配售向Emcom Limited發行1,800,000,000股股份，並根據股份交易(進一步詳情於本公司日期為二零零八年二月六日之公告內載述)進一步向張建華先生發行41,548,253股股份。因此，於二零零八年三月三十一日，本公司之已發行繳足股款股份數目增加至2,478,980,253股。

僱員

於二零零八年三月三十一日，本集團聘用合共32名(二零零七年三月三十一日：212名)僱員，包括中國及香港之董事。於回顧年內，員工成本總額(包括董事酬金)約為7,035,000港元(二零零七年三月三十一日：3,366,000港元)。

Directors' Business Review

董事業務回顧

Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees. To date, total 12,160,000 share options have been granted to certain directors and employees.

SEGMENT INFORMATION

During the year under review, the Group is organized mainly into the following business segments – telecommunication services (“Telecommunication”), mobile phones (“Mobile Phones”) product segment and digital versatile disc players (“DVD players”) product segment. During the corresponding last year, the Group was also engaged in home theatre systems (“Home Theatre Systems”), digital photo frame (“Digital Photo Frame”) and digital video broadcast (“Digital Video Broadcast”) product segments.

During the year under review, Telecommunication, sales of Mobile Phones, DVD players and others represented 7%, 76%, 16% and 1% of the Group's turnover (31 March 2007: Telecommunication Nil, Mobile Phones 20%, DVD players 68%, Home Theatre Systems 4%, Digital Photo Frame 4%, Digital Video Broadcast 4% and others 0%).

During the year under review, 93% (2007: 29%) of the Group's products were sold to the P.R.C. market and 7% (2007: 71%) of the Group's products were sold to the overseas markets.

Details of the business and geographical segments are disclosed in note 5 to the financial statements.

薪酬乃參照市場條款及個別僱員之表現及資歷釐定。年終花紅按個人表現而計算發放予僱員，以表揚及回報彼等所作出貢獻。其他福利包括為僱員作出之法定強制性公積金供款。截至本報告日期止，若干董事及僱員獲授合共12,160,000份購股權。

分類資料

於回顧年內，本集團主要分為下列業務分部—電訊服務(「電訊」)、流動電話(「流動電話」)產品分部及DVD播放機(「DVD播放機」)產品分部。於去年同期，本集團亦從事家庭影院系統(「家庭影院系統」)、數碼相框(「數碼相框」)及數碼視頻廣播(「數碼視頻廣播」)產品分類。

於回顧年內，電訊、銷售流動電話、DVD播放機及其他之營業額分別佔本集團營業額約7%、76%、16%及1%(二零零七年三月三十一日：電訊：零、流動電話：20%、DVD播放機：68%、家庭影院系統：4%、數碼相框：4%、數碼視頻廣播：4%及其他：0%)。

於回顧年內，本集團之93%(二零零七年：29%)產品銷售至中國市場，餘下之7%(二零零七年：71%)產品則銷售至海外市場。

業務及地區分類詳情披露載於財務報表附註5。

EXCHANGE RATIOS

The Group's transactions during the year ended 31 March 2008 were mainly denominated in Renminbi, HK Dollars, US Dollars and Singapore Dollars. The Renminbi income received from sales in the P.R.C. was fully applied to working capital need of the Group in the P.R.C.

SIGNIFICANT INVESTMENTS

In September 2007, the Company entered into an agreement to form a joint venture with Color City Enterprises Co., Ltd. to develop, market and deploy and deliver the T2Free platform and its related services. In February 2008, the Company entered into an agreement with Shanghai Jian Hua Satellite Communications Limited to form another joint venture to conduct distant education and training business. The details of the joint ventures are more particularly described in the section headed "Operation review" below. Save as the above, the Group did not make any significant investments during the year.

CONTINGENT LIABILITIES

As at 31 March 2008, the Group had no significant contingent liabilities (31 March 2007: Nil).

CAPITAL COMMITMENTS

As at 31 March 2008, the Group had capital commitments of approximately HK\$286,000 (31 March 2007: approximately HK\$14,807,000).

匯兌比率

截至二零零八年三月三十一日止年度，本集團之交易主要以人民幣、港元、美元及新加坡元列值。從中國之銷售所收取之人民幣收入悉數用作本集團於中國之營運資金需要。

重大投資

於二零零七年九月，本公司與Color City Enterprises Co., Ltd.訂立一份協議，成立合營公司，以開發、營銷、應用及發送T2Free平台及其相關服務。於二零零八年二月，本公司與上海建華衛星通信有限公司訂立一份協議，成立另一家合營公司以進行遙距教育及培訓。合營公司之詳情詳述於下文「業務回顧」一節。除上文所述者外，本集團於年內並無作出任何其他重大投資。

或然負債

於二零零八年三月三十一日，本集團並無重大或然負債(二零零七年三月三十一日：無)。

資本承擔

於二零零八年三月三十一日，本集團有資本承擔約286,000港元(二零零七年三月三十一日：約14,807,000港元)。

Directors' Business Review

董事業務回顧

OPERATING LEASE COMMITMENTS

As at 31 March 2008, the commitments under non-cancellable operating lease are represented as follows:

經營租賃承擔

於二零零八年三月三十一日，本集團根據一項不可撤銷之經營租約之承擔呈列如下：

	31 March 2008		31 March 2007		
	Properties (Audited) HK\$'000 於二零零八年三月三十一日 物業 (經審核) 千港元	Others (Audited) HK\$'000 於二零零八年三月三十一日 其他 (經審核) 千港元	Properties (Audited) HK\$'000 於二零零七年三月三十一日 物業 (經審核) 千港元	Others (Audited) HK\$'000 於二零零七年三月三十一日 其他 (經審核) 千港元	
Not later than one year	不遲於一年	2,896	195	1,063	-
Later than one year but not later than five years	遲於一年但不遲於五年	2,149	585	605	-
Total operating lease commitments	經營租賃承擔總額	5,045	780	1,668	-

OPERATION REVIEW

During the year ended 31 March 2008, the Group successfully expanded the business into mobile phones whereas its revenue substantially exceeded that from other product segments. Nonetheless, due to the fierce competition in the market, the new product segment had not yet yielded satisfactory results to the Group.

On 30 September 2007, the Company entered into a joint venture agreement with Color City Enterprises Co., Ltd., an independent third party (the "JV Partner"). Pursuant to the joint venture agreement, the joint venture company shall be incorporated in Hong Kong to develop, market and deploy and deliver the T2Free platform and its related services. The joint venture company will be owned as to 70% by the Company and 30% by the JV Partner upon formation. The Company shall contribute up to the sum of US\$1,000,000 (equivalent to approximately HK\$7,800,000) (including the registered capital contributed by both parties of HK\$100,000) in the form of loan financing for the working

業務回顧

截至二零零八年三月三十一日止年度，本集團成功擴展其業務至流動電話，而流動電話之貢獻遠超過其他產品分類之貢獻。儘管如此，由於市場競爭激烈，所以新產品分類並未為本集團帶來理想業績。

於二零零七年九月三十日，本公司與獨立第三方Color City Enterprises Co., Ltd. (「合營夥伴」)訂立合營協議。根據合營協議，合營公司將於香港註冊成立，以開發、營銷、應用及發送T2Free平台及其相關服務。合營公司成立後由本公司及合營夥伴分別擁有70%及30%權益。本公司須以貸款融資之方式向合營公司注資最多1,000,000美元(相等於約7,800,000港元)(包括訂約雙方提供之註冊資本

capital of the joint venture. As at the date of this report, the joint venture company has been incorporated and revenue has started coming into the Group.

During the year under review, the Company set up two wholly-owned subsidiaries, EmCall Pte Limited and EmCall Singapore Pte Limited (collectively the "EmCall Group") to spearhead the marketing of telecommunication services to various market segments covering South East Asia, Taiwan and Hong Kong. EmCall Group will utilize the T2Free Platform (as mentioned above the paragraph), as well as its own and co-developed platforms to deliver the products and services to the markets. The focus of EmCall Group is to provide a combination of VoIP (Voice over Internet Protocol), fixed-line and mobile communication solutions to our customers at a reasonable price. EmCall Group has already generated positive results to the Company.

On 2 October 2007, following the approval obtained in the extraordinary general meeting, the Company's name was changed to "Emcom International Limited" to reflect the change in controlling shareholders of the Company. The Company shall utilise the expertise and networks of the new controlling shareholders to expand into the telecommunication related businesses.

On 11 October 2007, the Company and Sunshine Empire Pte Limited (the "Subscriber") entered into a subscription agreement whereby the Subscriber agreed to subscribe for convertible note in the principal amount of US\$8,000,000 (or approximately HK\$62,400,000). The net proceeds from the issue of the convertible note will be used as investment and general working capital. The subscription has been completed on 31 October 2007. On 8 April 2008 the Company received a notice from the Subscriber whereas the Subscriber will transfer in whole the principal amount of the convertible note to Sunshine Empire Limited, who nominated Beauvoir Holdings Limited ("Beauvoir") to hold the convertible note. Subsequently on 9 April 2008, the Company received a conversion notice from Beauvoir that it will convert in whole the principal amount of the convertible note at the conversion price of HK\$0.26 per

100,000港元), 作為合營公司之營運資金。於本報告日期, 合營公司經已註冊成立, 並開始為本集團帶來收益。

於回顧年內, 本公司成立兩間全資附屬公司帝易通有限公司及EmCall Singapore Pte Limited (統稱「帝易通集團」), 率先向涵蓋東南亞、台灣及香港之多個市場分部營銷電訊服務。帝易通集團將利用T2Free平台(如前段所述)及其自有平台向其市場交付產品及服務。帝易通集團之核心業務為按合理價格向公司客戶提供VoIP(互聯網語音通訊)、固網及流動通訊方案綜合服務。帝易通集團已開始為本公司帶來正面業績。

於二零零七年十月二日, 在股東特別大會上獲得批准後, 本公司之名稱已更改為「Emcom International Limited」, 以反映本公司控股股東之變動。本公司將善用新控股股東之專業知識及網絡擴展電訊相關業務。

於二零零七年十月十一日, 本公司與Sunshine Empire Pte Limited(「認購人」)訂立認購協議, 據此, 認購人同意認購本金額8,000,000美元(或約62,400,000港元)之可換股票據。發行可換股票據之所得款項淨額將用作投資及一般營運資金。認購事項已於二零零七年十月三十一日完成。於二零零八年四月八日, 本公司接獲認購人之書面通知, 指認購人將悉數轉讓可換股票據之本金額予陽光大帝有限公司, 而陽光大帝有限公司將提名Beauvoir Holdings Limited(「Beauvoir」)持有可換股票據。其後於二零零八年四月九日, 本公司接獲Beauvoir之轉換通知, 指其將按換股價每股換股股份0.26港元悉數轉換可換股票據之本金額。轉換已於二零零八年四月

Directors' Business Review

董事業務回顧

share. The conversion has been completed on 10 April 2008. The Directors of the Company believe that the conversion of the convertible note provides an opportunity for the Company to enlarge its capital base.

On 4 February 2008, the Company and Shanghai Jian Hua Satellite Communications Limited ("Jian Hua") entered into an agreement pursuant to which Jian Hua agreed to co-operate with the Company to establish a joint venture to conduct, among other things, distant education and training business. In consideration of this, the Company shall pay to Jian Hua as to RMB3,000,000 (approximately HK\$3,225,806) in cash and RMB5,000,000 (approximately HK\$5,376,344) by allotment and issuance of new shares. Details of the transaction are contained in the Company's announcement dated 6 February 2008.

OUTLOOK

As regard the manufacturing business, the Group had strived over the past two years through strategic expansion of product portfolio and distribution networks. Different product types had been launched including mobile phones, DVD players, facsimile machines, digital photo frame, home theatre systems and digital video broadcast etc. Nonetheless, competition within the industry remains extremely keen. Coupled with the surge in labour related cost and appreciation of RMB recently, the future development of this sector does not look promising. As a result, the Group decided to gradually scale down the operations and withhold further investments in this segment until a robust solution comes across in future.

The voice business being carried out under the brand name of EmCall experienced a good start. Backed up by good quality of traffic and strong technical support, the Group expects to expand its market presence even more rapidly to clinch the vast amount of opportunities.

十日完成。本公司董事認為，轉換可換股票據為本公司提供良機以擴大其資本基礎。

於二零零八年二月四日，本公司與上海建華衛星通信有限公司(「建華」)訂立協議，據此，建華同意與本公司合作成立合營公司進行(其中包括)遙距教育及培訓業務。就此，本公司須向建華支付現金人民幣3,000,000元(約3,225,806港元)，以及藉配發及發行新股支付人民幣5,000,000元(約5,376,344港元)。交易詳情載於本公司日期為二零零八年二月六日之公告。

展望

就製造業務而言，於過去兩年，本集團一直致力透過策略性擴展產品組合及分銷網絡發展是項業務。過往曾推出不同種之產品，包括流動電話、DVD播放機、傳真機、數碼相框、家庭影院系統及數碼視頻廣播系統等。然而，業內競爭依然十分激烈。加上勞工相關之成本急升、以及近期人民幣升值，本行業之未來發展並不樂觀。因此，本集團決定逐步縮減是項業務之規模，以及暫緩於本分類之投資，直至未來出現反彈之情況為止。

本集團以帝易通品牌經營之語音業務取得良好開始。憑藉優質之話音質素及強大之技術支援，本集團預期將更迅速地擴大其市場涵蓋面，以抓緊龐大之商機。

On 6 May 2008, the Company entered into a conditional sale and purchase agreement, supplemented by a supplemental agreement on 21 May 2008, with Mr. Lee Kwok Ning Lobo and Ms. Lin Wai Yan (collectively the "Vendors") and Mr. Yong Wai Hong as warrantor to acquire a group of financial service companies engaging in advising on securities, assets management, dealing in securities and advising on corporate finance, all being regulated activities under the Securities and Futures Ordinance, at a consideration of HK\$180,000,000. The consideration for the acquisition is to be satisfied at completion as to HK\$30,000,000 in cash and as to HK\$150,000,000 by issue of convertible notes by the Company to the Vendors or their respective nominees. Details of the transaction are contained in the Company's announcement dated 21 May 2008. The Directors believe that the acquisition will enable the Company to capture the opportunity to participate in the finance industry. It could on one hand provide a new source of income and on the other hand provide future growth potential to the Group.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to all our shareholders, investors and business partners for their continued support and confidence in the Group. I would also like to thank my fellow directors who have offered invaluable advice and leadership during such a challenging year and the management team and all staff for their dedication, loyalty and valued services.

For and on behalf of the board

Yong Wai Hong

Chairman & Chief Executive Officer

Hong Kong, 24 June 2008

於二零零八年五月六日，本公司與李國寧先生及林慧欣女士（統稱「該等賣方」）及楊偉康先生（作為保證人）訂立一項有條件買賣協議（經二零零八年五月二十一日訂立之補充協議所補充），以收購從事就證券提供意見、資產管理、證券買賣及就企業融資提供意見（全部均為證券及期貨條例項下之受規管業務）之財務服務公司集團，代價為180,000,000港元。收購事項之代價將於完成時支付，當中30,000,000港元將以現金支付及150,000,000港元藉本公司向該等賣方或彼等各自之代理人發行可換股票據之方式支付。交易詳情載於本公司日期為二零零八年五月二十一日之公告。董事相信，收購事項可令本集團抓緊進軍金融業之機會。此舉一方面可為本集團提供新收入來源，而另一方面則可作為本集團未來增長之潛力。

致謝

本人謹藉此機會代表董事會，就各股東、投資者及業務夥伴一直對本集團的支持和信任，致以衷心謝意。本人亦謹此就各董事在這嚴峻的一年所給予的寶貴意見及領導，以及管理層及各員工的熱誠投入與忠誠服務深表感激。

代表董事會

主席兼行政總裁

楊偉康

香港，二零零八年六月二十四日

Directors and Senior Management

董事及資深管理層

EXECUTIVE DIRECTORS

Mr. Yong Wai Hong, aged 27, has extensive experience in business development and marketing communications. He had been involved in various start-up companies and had helped them expand and tap into international markets, particularly the Asia Pacific region. Mr. Yong graduated with an honours degree from the University of Wisconsin – Stevens Point with majors in Economics and History. Mr. Yong has been appointed as the Chairman and Chief Executive Officer, compliance officer and authorized representative of the Company since August 2007.

Mr. Lam Kwok Ho, aged 45, joined the Group in August 2007, is currently the Chief Executive of Head and Shoulders Asset Management Limited. Mr. Lam has over 20 years of work experience in the life insurance industry in Hong Kong and the PRC. Mr. Lam has worked Fortis Insurance Company as regional director and in Ping An Insurance Company Limited in the PRC and had also been an Agency General Manager of one of the leading insurance companies in Hong Kong. Mr. Lam obtained his master degree of business administration (elective e-commerce) from Charles Sturt University Australia in 2002.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Cheong Yee, aged 44, joined the Group in August 2007, is currently the responsible officer of China Everbright Securities (HK) Limited and China Everbright Capital Limited. He is also an executive director of Sino Technology Investments Limited which is a listed investment company under Chapter 21 of the Rules Governing the Listing of Securities of the Stock Exchange since June 2003. In March 2007, Mr. Chan became an independent non-executive director of SJTU Sunway Software Industry Limited which is a listed company on GEM. Mr. Chan was an independent non executive director of Cosmopolitan International Holdings Limited, a listed company on the Stock Exchange during September 2004 to December

執行董事

楊偉康先生，27歲，於業務拓展及市場傳訊方面擁有豐富經驗。他曾協助籌辦多家企業，幫助該等企業擴展業務及打入國際市場，特別是亞太地區市場。楊先生持有 University of Wisconsin – Stevens Point 頒授之榮譽學位，主修經濟及歷史。楊先生自二零零七年八月起獲委任為本公司主席、行政總裁、監察主任兼法定代表。

林國浩先生，45歲，於二零零七年八月加入本集團，現時為 Head and Shoulders Asset Management Limited 之行政總裁。林先生在香港及中國人壽保險業積逾 20 年工作經驗。林先生曾出任富通保險之地區總監，並曾在中國平安保險有限公司工作，亦曾為香港一家主要保險公司之營業總經理。林先生於二零零二年取得澳洲 Charles Sturt University 工商管理碩士學位，選修電子商貿。

獨立非執行董事

陳昌義先生，44歲，於二零零七年八月加入本集團，現為中國光大證券(香港)有限公司及中國光大融資有限公司之負責人員。自二零零三年六月起，彼亦擔任聯交所證券上市規則第21章項下一家上市投資公司中國創新投資有限公司之執行董事。於二零零七年三月，陳先生成為創業板上市公司交大銘泰軟件實業有限公司之獨立非執行董事。於二零零四年九月至二零零六年十二月期間，彼為聯交所上市公司四海國際集團有限公司之獨立非執行董事。陳先生一直從事金融及投資業務近20年，直接涉足物色投資機會、進行盡職審查、進行估值、監察投資組

2006. Mr. Chan have been in the financial and investment business for almost 20 years and directly involved in identifying investment opportunities, conducting due diligence, performing valuation, monitoring performance of investment portfolios and providing investment and divestment recommendations. Mr. Chan holds a Bachelor's Degree of Science majoring in Finance. Mr. Chan is a registered and licensed person under the SFO to carry on regulated activities in dealing of securities, advising on securities, dealing in futures contracts and undertaking asset management.

Ms. Tsang Fung Chu, aged 40, joined the Group in August 2007, is a certified public accountant, fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Ms Tsang holds a Bachelor Degree of Social Sciences from the University of Hong Kong and has broad experience in the finance and accounting field. She served as honorary auditor for several non-governmental and non-profit making organizations and has a number of government and public appointments, mainly in the Yaumatei/Tsimshatsui/Mongkok region in Hong Kong. She is also a member of All China Youth Federation, the PRC and is involved in the provision of professional services to various kinds of PRC companies and investors.

Mr. Wong Chi Keung Patrick, aged 57, joined the Group in November 2007, has been working in the insurance field for 30 years at senior management level in the area of sales management, during which several major sales awards and international recognitions have been achieved. Besides sales and marketing, Mr. Wong has put extensive effort in the training areas for insurance professionals, helping young recruits building a solid foundation in the financial planning career. Mr. Wong is currently working in Fortis Insurance Company as regional director, and he is also the master trainer and members of the Fortis

合之表現以及提供投資及撤資之推薦意見。陳先生持有理學士學位，主修金融學。陳先生為證券及期貨條例項下之註冊及持牌人士，可進行證券交易、就證券提供意見、期貨合約交易及提供資產管理之受規管活動。

曾鳳珠女士，40歲，於二零零七年八月加入本集團，為執業會計師、特許公認會計師公會及香港會計師公會資深會員。曾女士持有香港大學社會科學學士學位，於金融及會計方面具有豐富經驗。彼曾為若干非政府及非牟利團體出任榮譽核數師，並擔任若干政府及公共職務，主要服務香港油麻地／尖沙嘴／旺角區。曾女士亦為中華全國青年聯合會會員，專責為中國各類型公司及投資者提供專業服務。

黃志強先生，57歲，於二零零七年十一月加入本集團，於保險業累積30年工作經驗，在銷售管理方面擔任高層管理職務，期間曾獲多項主要銷售獎項及國際認可。除銷售及市場推廣工作外，黃先生亦於保險專才培訓領域孜孜不倦，務求幫助新進職員在財務策劃事業上奠定堅實基礎。黃先生現為富通保險之區域總監，亦為富通金融學院之主要培訓師及成員，專責就整個銷售團隊(人數超過2,000多名註冊保險代理人)之培訓方針提供意見。黃先生之工作範疇主要為風

Directors and Senior Management 董事及資深管理層

Financial Services Academy, responsible for advising on the educational direction of the entire sales force, which is reaching a number of over 2,000 registered insurance agents. His major working areas are risk management and sales compliance. He is also an active member in the General Agents and Managers Association of Hong Kong and Life Underwriters Association of Hong Kong, which are the union and federation for the registered insurance managers and agents in the professional insurance field.

SENIOR MANAGEMENT

Mr. Lai Yick Fung, aged 37, is the chief financial officer of the Group and Secretary of the Company. He obtained a bachelor of arts degree in accountancy in Hong Kong Polytechnic University. Mr. Lai is an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrations. Mr. Lai had worked for an international accounting firm and a number of listed companies in Hong Kong and the United States as senior management and has over 10 years of experience in auditing, accounting and financial management.

Mr. Lim Yong Kai, aged 43, has extensive experience in financial services having last served an executive director of Superfund Financial (Singapore) Pte Ltd before moving over to the Company. His interest in telecommunications led him to start up various businesses focusing on the call center and VoIP industries. He is actively involved in developing switching platforms and applications targeted at the mobile telephony users. Mr. Lim holds an honours law degree from the University of London. He is currently the CEO of EmCall Pte Limited and EmCall Singapore Pte Limited, both being wholly-owned subsidiaries of the Company. Both EmCall companies hold valid telecommunication operator licences in Hong Kong and Singapore.

險管理及銷售規管。彼亦為香港人壽保險經理協會及香港人壽保險從業員協會之活躍成員，該等協會為專業保險領域已註冊保險經理人及代理人之工會及聯合會。

資深管理層

賴益豐先生，37歲，為本集團之財務總監及公司秘書。彼持有香港理工大學會計系文學學士學位。賴先生為香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會之會員。賴先生曾於一間國際會計師行及數間香港及美國上市公司任職高級管理層，並於審核、會計及財務管理方面擁有逾10年經驗。

林永凱先生，43歲，於加入本公司前為 Superfund Financial (Singapore) Pte Ltd之執行董事，於金融服務擁有豐富經驗。彼於電訊業之興趣促使其開展於呼喚中心及VoIP之業務。彼積極參與為流動電話通訊用戶發展開關平台及使用軟件。林先生持有倫敦大學之法律學士學位。彼現為本公司之全資附屬公司帝易通有限公司及EmCall Singapore Pte Limited之行政總裁。兩家公司均擁有香港及新加坡之有效電訊業經營牌照。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2008, except for the following deviations:

Code Provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Yong Wai Hong currently holds both positions. The board of directors (the "Board") believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies.

Code Provision A.4.2

This code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. The then Articles of Association of the Company only requires such directors who are appointed to fill a casual vacancy to be re-elected at the next annual general meeting. As such, at the forthcoming annual general meeting, resolution for amending the Articles of Association to comply with the Code on Corporate Governance practices will be proposed.

This code also stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company's Articles of Association provides that one-third of the directors shall retire by rotation, with the exception of chairman or the managing director of the Company.

企業管治常規守則

本公司致力維持高水平之企業管治，以提升股東價值。本公司已於截至二零零八年三月三十一日止年度遵守創業板上市規則附錄15所載之企業管治常規守則內之規定守則條文，惟下列偏離事項除外：

守則條文第A.2.1條

本守則訂明主席及行政總裁之職位應予區分，並不應由同一人同時兼任。楊偉康先生目前擔任兩個職位。董事會（「董事會」）認為，由同一人同時兼任主席及行政總裁可給予本公司強勢及貫徹之領導，並容許更有效決策及執行長期業務策略。

守則條文第A.4.2條

本守則訂明所有獲委任填補臨時空缺之董事須於彼等獲委任後之首個股東大會上接受股東推選。本公司當時之組織章程細則僅規定該等獲委任填補臨時空缺之董事於下屆股東週年大會上膺選連任。因此，於應屆股東週年大會上，將提呈決議案修訂組織章程細則，從而符合企業管治常規守則。

本守則亦訂明每名董事（包括該等獲委以特定任期之董事）須最少每三年輪值告退一次。本公司之組織章程細則訂明，董事當中三分之一人數須輪值告退，惟本公司主席或董事總經理除外。儘管本公司之組織章程細

Corporate Governance Report

企業管治報告

Notwithstanding the provisions of the Company's Articles of Association, the Company intends to comply with the Code Provision A.4.2 in the way of having not less than one-third of all directors retiring at each annual general meeting.

Code Provision A.4.4

This code stipulates that listed issuers should establish a nomination committee with specific written terms of reference. The nomination committee should, among others, (i) reviews the structure, size and composition of the Board and make recommendations to the Board regarding any proposed changes; (ii) identify individuals suitably qualified to become board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the Board on matters relating to the appointment or re-appointment of directors and succession planning for directors. The Company has not established a nomination committee. Instead, the full Board is involved in the appointment of new directors. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointment. The Board will conduct in-depth assessment on the independence of candidates for post of independent directors.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year. The Company has also made specific enquiry to all directors and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by directors.

則訂明，惟本公司擬遵守守則條文第A.4.2條之規定，於各股東週年大會上將有不少於全體董事人數三分之一之董事退任。

守則條文第A.4.4條

本守則訂明上市發行人須成立提名委員會，並以書面釐定其職權範圍。提名委員會須（其中包括）(i)審閱董事會之架構、規模及組成，並就任何建議變動作出推薦意見；(ii)物色合適之合資格人士出任董事會成員；(iii)評估獨立非執行董事之獨立性；及(iv)就委任或重新委任董事及董事繼任計劃等事宜向董事會作出推薦意見。本公司並無成立提名委員會。作為替代，全體董事會會參與新董事之委任。董事會於考慮委任新董事時，將計及專業知識、經驗、誠信及承擔等條件。董事會將對候任獨立董事之人士之獨立性進行深入評估。

董事之證券交易

本公司於年內已採納有關董事進行證券交易之操守守則，其條款乃不遜於創業板上市規則第5.48條至第5.67條之規定買賣標準。本公司亦已向全體董事作出特定查詢，本公司並不知悉任何違反規定買賣標準及其有關董事進行證券交易之操守守則之情況。

BOARD OF DIRECTORS

The Board is responsible for determining the overall strategy; reviewing and approving the work plan of the Company; and overseeing the corporate governance of the Company. While the management of the Company is responsible for proposing and implementing the work plan of the Company, executing the day-to-day operation of the Company and undertaking any further responsibility as delegated by the Board from time to time.

The Board comprises two executive directors and three independent non-executive directors. The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. Its composition and the attendance of individual directors at these board meetings were as follows:

Name 姓名		Number of meetings held during the term of office 於任期內 舉行之會議次數	Number of meetings attended 出席會議次數
Executive directors 執行董事			
Mr. Yong Wai Hong 楊偉康先生	(appointed on 28/08/2007) (於二零零七年八月二十八日獲委任)	3	3
Mr. Lam Kwok Ho 林國浩先生	(appointed as independent non- executive director on 28/08/2007 and re-designated as executive director on 30/11/2007) (於二零零七年八月二十八日獲委任為 獨立非執行董事，並於二零零七年十一月 三十日調任為執行董事)	2	0
Mr. Lee Pin Yeow 李斌耀先生	(appointed on 28/08/2007 and resigned on 22/02/2008) (於二零零七年八月二十八日獲委任及 於二零零八年二月二十二日辭任)	3	3
Mr. Chen Jijin 陳集進先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	5
Ms. Huang Menghuai 黃夢懷女士	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	3
Mr. Zhong Min 鍾敏先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	4

董事會

董事會負責釐定整體策略、審閱及審批本公司之工作計劃及監管本公司之企業管治。本公司管理層須負責擬定及實行本公司之工作計劃、執行本公司之日常運作及進行董事會不時分派之任何其他職責。

董事會由兩名執行董事及三名獨立非執行董事組成。董事會按季度舉行定期例會，於有需要時將會召開特別會議。董事會之組成及個別董事於該等董事會會議之出席記錄如下：

Corporate Governance Report

企業管治報告

Name 姓名		Number of meetings held during the term of office 於任期內 舉行之會議次數	Number of meetings attended 出席會議次數
Independent non-executive directors 獨立非執行董事			
Mr. Chan Cheong Yee 陳昌義先生	(appointed on 28/08/2007) (於二零零七年八月二十八日獲委任)	3	0
Ms. Tsang Fung Chu 曾鳳珠女士	(appointed on 28/08/2007) (於二零零七年八月二十八日獲委任)	3	3
Mr. Wong Chi Keung Patrick 黃志強先生	(appointed on 30/11/2007) (於二零零七年十一月三十日獲委任)	2	2
Mr. Chen Wei Rong 陳偉榮先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	0
Mr. Lam Hon Kuen 林漢權先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	1
Mr. Law Chi Yuen 羅志遠先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	5	1

TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Keung Patrick, Mr. Chan Cheong Yee and Ms. Tsang Fung Chu, the independent non-executive directors of the Company, are appointed for a term of 1 year and are subject to retirement and re-election at the Company's annual general meetings in accordance with the Articles of Association of the Company.

REMUNERATION OF DIRECTORS

The Company has established a remuneration committee with specific written terms of reference. The Committee is mainly responsible for making recommendation to the Board on policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The committee comprises three independent non executive Directors, namely Mr. Chan Cheong Yee, Ms. Tsang Fung Chu and Mr. Wong Chi Keung Patrick.

委任獨立非執行董事之年期

本公司之獨立非執行董事黃志強先生、陳昌義先生及曾鳳珠女士乃獲委以一年任期，並須根據本公司之組織章程細則於本公司股東週年大會上退任及膺選連任。

董事酬金

本公司已成立薪酬委員會，並以書面釐定其職權範圍。委員會主要負責就董事及高級管理層之所有薪酬政策及架構，以及就釐定有關薪酬之政策設立一套正式兼具透明度之程序，向董事會提出推薦意見。委員會由三名獨立非執行董事組成，包括陳昌義先生、曾鳳珠女士及黃志強先生。

AUDITOR'S REMUNERATION

For the year ended 31 March 2008, fee for the Company's external auditor for audit services was HK\$600,000. Except the statutory audit fee, the Company has paid HK\$80,000 to the external auditor for non-audit services.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the Company's financial reporting and internal control system.

核數師酬金

於截至二零零八年三月三十一日止年度，本公司外聘核數師就審核服務之費用為600,000港元。除法定審核費用外，本公司就非審核服務支付外聘核數師80,000港元。

審核委員會

本公司已成立審核委員會，並遵照創業板上市規則第5.28條至第5.33條以書面釐定其職權範圍。審核委員會之主要職責為審閱本公司之年報及賬目、中期報告及季度報告，並就此向董事會提供意見及建議。審核委員會亦須負責審閱及監督本公司之財務匯報及內部監控系統。

Corporate Governance Report

企業管治報告

The audit committee comprises three independent non-executive Directors, namely Ms. Tsang Fung Chu (Chairman), Mr. Chan Cheong Yee and Mr. Wong Chi Keung Patrick. The Committee convened four meetings during the financial year ended 31 March 2008. During these meetings, the committee reviewed the annual, interim and quarterly results of the Company and made recommendations to the Board and the management in respect of the Company's financial reporting and internal control system. Details of the attendance of the audit committee meetings are as follows:

審核委員會由三名獨立非執行董事組成，包括曾鳳珠女士(主席)、陳昌義先生及黃志強先生。委員會於截至二零零八年三月三十一日止財政年度曾召開四次會議。委員會於該等會議上審閱本公司之年度、中期及季度業績，並就本公司之財務匯報及內部監控系統向董事會及管理層作出推薦意見。審核委員會會議之出席詳情如下：

Name 姓名		Number of meetings Held during the term of office 於任期內 舉行之會議次數	Number of meetings attended 出席會議次數
Mr. Chan Cheong Yee 陳昌義先生	(appointed on 28/08/2007) (於二零零七年八月二十八日獲委任)	2	1
Ms. Tsang Fung Chu 曾鳳珠女士	(appointed on 28/08/2007) (於二零零七年八月二十八日獲委任)	2	2
Mr. Wong Chi Keung Patrick 黃志強先生	(appointed on 30/11/2007) (於二零零七年十一月三十日獲委任)	1	1
Mr. Lam Kwok Ho 林國浩先生	(appointed on 28/08/2007 and resigned on 30/11/2007) (於二零零七年八月二十八日獲委任， 並於二零零七年十一月三十日辭任)	1	0
Mr. Chen Wei Rong 陳偉榮先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	2	1
Mr. Lam Hon Kuen 林漢權先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	2	1
Mr. Law Chi Yuen 羅志遠先生	(resigned on 28/08/2007) (於二零零七年八月二十八日辭任)	2	1

Accountability and Audit

The directors acknowledge their responsibility for preparing the accounts of the Company. As at 31 March 2008, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

The responsibilities of the external auditor on financial reporting are set out in the Independent Auditor's Report attached to the Company's Financial Statements for the year ended 31 March 2008.

The Board has conducted a review of the effectiveness of the Company's internal control system with an aim to safeguard the shareholders' investment and the Company's assets. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Company's business objectives.

問責性及審核

董事了解彼等編製本公司賬目之責任。於二零零八年三月三十一日，董事並不知悉有任何會對本公司繼續以持續經營基準經營之能力經營構成重大疑問之事件或狀況之重大不明朗因素。據此，董事已按持續經營基準編製本公司之財務報表。

外聘核數師就財務匯報之責任載於本公司截至二零零八年三月三十一日止年度之財務報表所附奉之獨立核數師報告。

董事會已就本公司之內部監控系統是否有效進行審閱，務求保障股東之投資及本公司之資產。目的在於合理(而非絕對地)保證並無重大失實陳述、錯誤、損失或欺詐，以及管理而非抵銷未能達致本公司業務目標之風險。

Directors' Report

董事會報告

The board of Directors (the "Board") of Emcom International Limited (the "Company") presents the audited financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2008.

The name of the Company has been changed from China Photar Electronics Group Limited to Emcom International Limited during the year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 15 to the financial statements.

RESULTS AND DIVIDEND

The Group's loss for the year ended 31 March 2008 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 41.

The Directors of the Company do not recommend the payment of final dividend for the year ended 31 March 2008 (2007: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years is set out on page 136. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 14 to the financial statements.

帝通國際有限公司(「本公司」)董事會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零零八年三月三十一日止年度之經審核財務報表。

年內，本公司之名稱已由中國豐達電子集團有限公司更改為帝通國際有限公司。

主要業務

本公司之主要業務為投資控股。本公司各附屬公司之主要業務載於財務報表附註15。

業績及股息

本集團截至二零零八年三月三十一日止年度之虧損、本公司及本集團於該日期之財政狀況載於財務報表第39頁至第41頁。

本公司董事並不建議派付截至二零零八年三月三十一日止年度之末期股息(二零零七年：無)。

概要財務資料

本集團過去五個財政年度之已刊發業績及資產、負債及少數股東權益之概要已載於第136頁。此概要並非為經審核財務報表之部分。

物業、機器及設備

本公司及本集團物業、機器及設備於年內之變動詳情載於財務報表附註14。

SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND CONVERTIBLE BONDS

Details of movements in either the Company's convertible notes, share capital and share option during the year are set out in notes 29, 31 and 34 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 32 to the financial statements and in the consolidated statement of changes in equity, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

During in the year under review, sales to the Group's five largest customers accounted for 98% of the total sales for the year and sales to the largest customer included therein amounted to 76%. Purchases from the Group's five largest suppliers accounted to 93% of the total purchases for the year and purchases from the largest supplier included therein amounted to 82%.

None of the directors of the Company or any of their associates or any shareholders which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital had any beneficial interest in the Group's five largest customers.

股本、購股權、認股權證及可換股債券

本公司可換股票據、股本及購股權於年內之變動詳情載於財務報表附註29、31及34。

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註32及綜合權益變動表。

主要客戶及供應商

於回顧年度，本集團向五大客戶作出之銷售額佔本年度之銷售總額98%，而當中向最大客戶作出之銷售額佔銷售總額76%。本集團從五大供應商作出之購貨額佔本年度之購貨總額93%，而當中向最大供應商作出之購貨額佔購貨總額82%。

本公司或其任何附屬公司(就董事所深知，擁有逾5%之本公司已發行股本)概無於本集團之五大客戶擁有任何實益權益。

Directors' Report

董事會報告

DIRECTORS

The directors of the Company during the year were:

Executive directors:

執行董事：

Mr. Yong Wai Hong 楊偉康先生	[appointed on 28 August 2007] (於二零零七年八月二十八日獲委任)
Mr. Lam Kwok Ho 林國浩先生	[redesignated on 30 November 2007] (於二零零七年十一月三十日獲調任)
Mr. Lee Pin Yeow 李斌耀先生	[appointed on 28 August 2007 and resigned on 22 February 2008] (於二零零七年八月二十八日獲委任並於二零零八年二月二十二日辭任)
Mr. Chen Jijin 陳集進先生	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)
Ms. Huang Menghuai 黃夢懷女士	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)
Mr. Zhong Min 鍾敏先生	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)

Non-executive directors:

非執行董事：

Mr. Chan Cheong Yee 陳昌義先生	[appointed on 28 August 2007] (於二零零七年八月二十八日獲委任)
Ms. Tsang Fung Chu 曾鳳珠女士	[appointed on 28 August 2007] (於二零零七年八月二十八日獲委任)
Mr. Wong Chi Keung Patrick 黃志強先生	[appointed on 30 November 2007] (於二零零七年十一月三十日獲委任)
Mr. Lam Kwok Ho 林國浩先生	[appointed on 28 August 2007 and redesignated on 30 November 2007] (於二零零七年八月二十八日獲委任並於二零零七年十一月三十日獲調任)
Mr. Chen Wei Rong 陳偉榮先生	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)
Mr. Lam Hon Kueng 林漢權先生	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)
Mr. Law Chi Yuen 羅志遠先生	[resigned on 28 August 2007] (於二零零七年八月二十八日辭任)

In accordance with Article 86(3) of the Company's Articles of Association, all directors shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

董事

本年度內之本公司董事為：

根據本公司之組織章程細則第86(3)條之規定，全體董事將於應屆股東週年大會輪值告退，惟合資格並願意膺選連任。

The Company confirmed that it has received from each of its independent non-executive directors an annual confirmation of his independence pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the year ended 31 March 2008 and it still considered them to be independent as the date of this report.

DIRECTORS' SERVICE CONTRACTS

Mr. Yong Wai Hong has a service contract with the Company as an executive director and chairman of the Company for a term of three years which commenced on 1 January 2008 and is subject to termination by either party giving not less than three months' written notice. The emolument in connection with Mr. Yong's position is HK\$65,000 per month, provision of rent-free accommodation of value not exceeding HK\$25,000 per month and medical benefits of value not exceeding HK\$4,000 per annum.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 9 and 38 to the financial statements, no other contracts of significance in relation to the Group's business to which the Company, any of the subsidiaries or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at the time during the year.

本公司確認已接獲各獨立非執行董事於截至二零零八年三月三十一日止年度根據香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)第5.09條作出之年度獨立確認書，截至本報告日期，本公司仍認為彼等屬獨立人士。

董事之服務合約

楊偉康先生與本公司就出任本公司執行董事及主席訂有服務合約，由二零零八年一月一日起計，為期三年，並須由任何一方發出不少於三個月書面通知方可終止。楊先生出任上述職位之酬金為每月65,000港元，每月價值不超逾25,000港元之免費住宿及價值每年價值不超逾4,000港元之醫療福利。

除上文所述外，概無於應屆股東週年大會上建議重選的董事與本公司訂有本公司不得於一年內不作賠償(法定賠償除外)而予以終止之服務合約。

董事於合約中之權益

除財務報表附註9及附註38所披露者外，各董事並無在由本公司、其附屬公司或其控股公司訂立與本集團業務有重大關係且於本年底或年度內仍然有效之其他合約中直接或間接擁有重大權益。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2008, the following Directors of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock 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 provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange:

(a) Long positions in the shares

Name of Directors 董事姓名	Nature of interest 權益性質
Mr. Yong Wai Hong ^{Note 1} 楊偉康先生 ^{附註 1}	Interest of controlled corporation 受控制法團權益
Mr. Lam Kwok Ho ^{Note 2} 林國浩先生 ^{附註 2}	Beneficial owner 實益擁有人

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零零八年三月三十一日，下列本公司董事於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之權益或淡倉；或(iii)根據創業板上市規則第5.46至5.67條有關本公司董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉如下：

(a) 股份之好倉

Number of shares 股份數目	Approximate percentage of issued share capital 已發行股本概約百分比 (Note 3) (附註3)
1,733,284,000	63.75%
16,000	0.00%

Notes:

1. Mr. Yong Wai Hong is deemed to be interested in 1,733,284,000 shares through its beneficial interest in 15% of the entire issued share capital of Emcom Limited. Emcom Limited is a party acting in concert with Smart Steps Holdings Limited and Modern China Holdings Limited under s317(1)(a) of the SFO.
2. Mr. Lam Kwok Ho is an executive director of the Company.
3. Based on the enlarged share capital of the Company after full conversion of the convertible bond in the principal amount of US\$8,000,000 (or approximately HK\$62,400,000) based on the conversion price of HK\$0.26.

(b) Long positions in the underlying shares of the Company

The Company adopted a share option scheme on 19 October 2002 which the Board may, at their discretion, offer employees, non-executive Directors, independent non-executive Directors or any other persons who have contributed to the Group to take up share options to subscribe for shares subject to the

附註：

1. 楊偉康先生被視為通過實益擁有 Emcom Limited 全部已發行股本之 15% 權益，擁有 1,733,284,000 股股份。根據證券及期貨條例第 317(1)(a) 條，Emcom Limited 與 Smart Steps Holdings Limited 及 Modern China Holdings Limited 為一致行動人士。
2. 林國浩先生為本公司之執行董事。
3. 根據本公司按換股價 0.26 港元悉數兌換本金額為 8,000,000 美元（或約 62,400,000 港元）之可換股債券之已擴大股本。

(b) 本公司相關股份之好倉

本公司已於二零零二年十月十九日採納一項購股權計劃，據此，董事會可酌情向曾經對本集團作出貢獻之僱員、非執行董事、獨立非執行董事或其他人士提出要約，以根據購股權計劃訂明之條款及條件接納可認購股份

Directors' Report

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terms and conditions stipulated in the share option scheme. Details of share options granted to the Directors as at 31 March 2008 were as follows:

之購股權。於二零零八年三月三十一日，授予董事之購股權詳情如下：

Name of Director 董事姓名	Date of grant 授出日期	Number of option held as at 1 April 2007 於二零零七年四月一日所持購股權數目		Number of option held as at 31 March 2008 於二零零八年三月三十一日所持購股權數目		Exercise price 行使價 HK\$ 港元	Exercise Period 行使期
			Number of option granted during the year 年內授出購股權數目				
Mr. Chan Cheong Yee 陳昌義先生	3/10/2007	-	200,000	200,000	200,000	0.312	3/10/2008- 3/10/2012
Mr. Lam Kwok Ho 林國浩先生	3/10/2007	-	200,000	200,000	200,000	0.312	3/10/2008- 3/10/2012
Ms. Tsang Fung Chu 曾鳳珠女士	3/10/2007	-	200,000	200,000	200,000	0.312	3/10/2008- 3/10/2012

Save as disclosed above, as at 31 March 2008, none of the Directors nor the chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock 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 provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

除上文披露者外，於二零零八年三月三十一日，董事或最高行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記入該條所述登記冊之任何權益或淡倉；或(iii)根據創業板上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2008, the following persons (not being director or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Long positions in the shares

Name of shareholder	股東姓名	Number of shares held 所持股份數目	Approximate percentage of issued share capital 已發行股份概約百分比 (Note 6) (附註6)
Emcom Limited <i>Note 1</i>	Emcom Limited <i>附註1</i>	1,733,284,000	63.75%
Jolly King Limited <i>Note 2</i>	Jolly King Limited <i>附註2</i>	1,733,284,000	63.75%
Mr. Phang Wah <i>Note 2</i>	彭華先生 <i>附註2</i>	1,733,284,000	63.75%
Smart Step Holdings Limited <i>Note 3</i>	Smart Step Holdings Limited <i>附註3</i>	1,733,284,000	63.75%
Mr. Lim Yi Shenn <i>Note 3</i>	林宜盛先生 <i>附註3</i>	1,733,284,000	63.75%
Modern China Holdings Limited <i>Note 4</i>	Modern China Holdings Limited <i>附註4</i>	1,733,284,000	63.75%
Mr. Chen Jijin <i>Note 4</i>	陳集進先生 <i>附註4</i>	1,733,284,000	63.75%
Sunshine Empire Pte Limited <i>Note 5</i>	Sunshine Empire Pte Limited <i>附註5</i>	240,000,000	8.83%
Mr. Hoo Choon Cheat Jackie <i>Note 5</i>	何俊傑先生 <i>附註5</i>	240,000,000	8.83%
Mr. Lee Wai Kin <i>Note 5</i>	李偉健先生 <i>附註5</i>	240,000,000	8.83%

主要股東及其他人士於股份及相關股份之權益

於二零零八年三月三十一日，以下人士（非本公司董事或最高行政人員）於股份或相關股份中擁有(i)須根據證券及期貨條例第XV部第2及3分部之條文向本公司及聯交所披露之權益或淡倉；或(ii)根據證券及期貨條例第336條記錄於該條所指之記錄冊之權益或淡倉：

於股份之好倉

Directors' Report

董事會報告

Notes:

1. The issued share capital of Emcom Limited is beneficially owned as to 75% by Mr. Phang Wah, 15% by Mr. Yong Wai Hong and 10% by Mr. Lee Pin Yeow. Mr. Yong Wai Hong is executive Director of the Company. Emcom Limited is a party acting in concert with Smart Step Holdings Limited and Modern China Holdings Limited under s317(1)(a) of the SFO. By virtue of the SFO Emcom Limited is deemed to be interested in 1,733,284,000 shares. Emcom Limited is beneficially interested in 1,496,368,000 shares of 55.03% of the issued share capital.
2. Jolly King Limited holds 75% of Emcom Limited and is therefore entitled to exercise or control the exercise of one-third or more of the voting power of Emcom Limited. The entire issued share capital of Jolly King Limited is held by Mr. Phang Wah. By virtue of the SFO, Jolly King Limited and Mr. Phang Wah are deemed to be interested in 1,733,284,000 shares.
3. The entire issued share capital of Smart Step Holdings Limited is held by Mr. Lim Yi Shenn. Smart Step Holdings Limited is a party acting in concert with Emcom Limited and Modern China Holdings Limited under s317(1)(a) of the SFO. By virtue of the SFO, Smart Step Holdings Limited and Mr. Lim Yi Shenn are deemed to be interested in 1,733,284,000 shares. Smart Step Holdings Limited is beneficially interested in 85,232,000 shares or 3.14% of the issued share capital.

附註：

1. Emcom Limited之已發行股本由彭華先生、楊偉康先生及李斌耀先生分別實益持有75%、15%及10%。楊偉康先生為本公司之執行董事。根據證券及期貨條例第317(1)(a)條，Emcom Limited為Smart Step Holdings Limited及Modern China Holdings Limited之一致行動人士。根據證券及期貨條例，Emcom Limited被視為於1,733,284,000股股份中擁有權益。Emcom Limited擁有1,496,368,000股股份或已發行股本55.03%。
2. Jolly King Limited持有Emcom Limited 75%權益，因此有權行使或控制Emcom Limited三分之一或以上投票權的行使權。Jolly King Limited之全數已發行股本乃由彭華先生持有。根據證券及期貨條例，Jolly King Limited及彭華先生被視為於1,733,284,000股股份中擁有權益。
3. Smart Step Holdings Limited之全部已發行股本由林宜盛先生持有。根據證券及期貨條例第317(1)(a)條，Smart Step Holdings Limited為Emcom Limited及Modern China Holdings Limited之一致行動人士。根據證券及期貨條例，Smart Step Holdings Limited及林宜盛先生被視為於1,733,284,000股股份中擁有權益。Smart Step Holdings Limited實益擁有85,232,000股股份或已發行股本3.14%。

4. The entire issued share capital of Modern China Holdings Limited is held by Mr. Chen Jijin who was formerly the Chairman and an executive director of the Company. Modern China Holdings Limited is a party acting in concert with Emcom Limited and Smart Step Holdings Limited under s317(1)(a) of the SFO. By virtue of the SFO, Modern China Holdings Limited and Mr. Chen Jijin are deemed to be interested in 1,733,284,000 shares. Modern China Holdings Limited is beneficially interested in 151,684,000 shares or 5.58% of the issued share capital
5. These 240,000,000 shares are the underlying shares which are issuable to Sunshine Empire Pte Limited, assuming full conversion of the convertible bond in the principal amount of US\$8,000,000 (or approximately HK\$62,400,000) based on the conversion price of HK\$0.26. The issued share capital of Sunshine Empire Pte Limited is beneficially owned as to 50% by Mr. Hoo Choon Cheat Jackie and as to 50% by Mr. Lee Wai Kin.
6. Based on the enlarged share capital of the Company after full conversion of the convertible bond in the principal amount of US\$8,000,000 (or approximately HK\$62,400,000) based on the conversion price of HK\$0.26.

Save as disclosed above, as at 31 March 2008, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" above, had, or were deemed to have, interests or what positions in the shares or underlying shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provision of Division 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

4. Modern China Holdings Limited之全部已發行股本由陳集進先生持有，陳集進先生為本公司前任主席及執行董事。根據證券及期貨條例第317(1)(a)條，Modern China Holdings Limited為Emcom Limited及Smart Step Holdings Limited之一致行動人士。根據證券及期貨條例，Modern China Holdings Limited及陳集進先生被視為於1,733,284,000股股份中擁有權益。Modern China Holdings Limited實益擁有151,684,000股股份或已發行股本5.58%。
5. 該等240,000,000股股份為假設按換股價0.26港元悉數兌換本金額為8,000,000美元(或約62,400,000港元)之可換股債券而發行予Sunshine Empire Pte Limited之相關股份。Sunshine Empire Pte Limited之已發行股本由何俊傑先生及李偉健先生各分別實益擁有50%。
6. 根據本公司按換股價0.26港元悉數兌換本金額為8,000,000美元(或約62,400,000港元)之可換股債券之已擴大股本。

除上文披露者及已於「董事及最高行政人員於股份及相關股份之權益及淡倉」披露權益之董事及最高行政人員外，於二零零八年三月三十一日，並沒有其他人士於股份或相關股份中擁有或被視為擁有(i)須根據證券及期貨條例第XV部第2及3分部之條文向本公司及聯交所披露之權益或淡倉；或(ii)須根據證券及期貨條例第336條記錄於該條所指之記錄冊之權益或淡倉。

Directors' Report

董事會報告

DIRECTORS' AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" and "SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES" above, none of the Directors or employees of the Group or their respective associates were granted by the Company or its subsidiaries the rights to acquire shares or debentures of the Company or any other body corporate, or had exercised any such rights as at 31 March 2008.

CONNECTED TRANSACTIONS

Save as disclosed in note 38 to the financial statements, no other connected transactions were entered into by the Group under the GEM Listing Rules.

COMPETING INTEREST

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

董事及僱員購入股份或債券之權利

除上文標題為「董事及最高行政人員於股份及相關股份之權益及淡倉」及「主要股東及其他人士於股份及相關股份之權益」內所披露外，概無董事或本集團之僱員或其各自之聯繫人士獲本公司或其附屬公司授予權利購入本公司或其他任何法人團體之股份或債券，或於二零零八年三月三十一日已行使任何該等權力。

關連交易

除於財務報表附註38所披露外，本集團概無根據創業板上市規則進行其他關連交易。

競爭權益

本公司董事、管理層股東或主要股東或其各自之聯繫人士概無從事任何與本集團業務構成或可能構成競爭或與本集團有任何其他利益衝突之業務。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

POST BALANCE SHEET EVENTS

Details of the significant post sheet events of the Group are set out in note 40 to the financial statements.

AUDITOR

The financial statements have been audited by CCIF CPA Limited. A resolution for their re-appointment as the Company's auditor for the upcoming year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Yong Wai Hong
Chairman and Chief Executive Officer

Hong Kong, 24 June 2008

足夠公眾持股量

根據本公司公開所得之資料及據董事所知，於本報告日期，本公司已發行股本總數最少25%由公眾人士持有。

結算日後事項

本集團重大結算日後事項之詳情已載於財務報表附註40。

核數師

財務報表已由陳葉馮會計師事務所有限公司審核。本公司將在應屆股東週年大會上提呈決議案，續聘該公司為本公司來年度之核數師。

代表董事會

主席兼行政總裁
楊偉康

香港，二零零八年六月二十四日

Independent Auditor's Report

獨立核數師報告



CCIF

CCIF CPA LIMITED

20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong



CCIF

陳葉馮會計師事務所有限公司

香港銅鑼灣
希慎道10號
新寧大廈20樓

TO THE SHAREHOLDERS OF EMCOM INTERNATIONAL LIMITED

(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Emcom International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 137 which comprise the consolidated and Company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致帝通國際有限公司之全體股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第39頁至第137頁之帝通國際有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)之綜合財務報表，當中包括於二零零八年三月三十一日之綜合及公司資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋附註。

董事就財務報表須承擔之責任

貴公司之董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港公司條例之披露規定編製及真實兼公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實兼公平地列報綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

AUDITOR'S RESPONSIBILITY

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

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

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

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

核數師之責任

我們的責任是根據我們的審核對該等財務報表作出意見，及僅向整體股東報告，除此之外別無其他目的，而我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實兼公平地列報財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證足以充份和適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

OPINION

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

CCIF CPA Limited

Certified Public Accountants

Hong Kong

24 June 2008

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實兼公平地反映 貴公司與 貴集團於二零零八年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師

香港

二零零八年六月二十四日

Consolidated Income Statement

綜合收益表

31 March 2008
二零零八年三月三十一日

		Notes 附註	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Turnover	營業額	6	98,779	63,072
Cost of sales	銷售成本		(98,111)	(56,675)
Gross profit	毛利		668	6,397
Other revenue and other net income	其他收益及 其他淨收入	6	6,515	127
Selling expenses	銷售開支		(254)	-
Administrative expenses	行政開支		(19,593)	(32,845)
Other operating expenses	其他經營開支		(11,401)	-
Loss from operation	經營虧損		(24,065)	(26,321)
Share of (loss)/profit of a jointly controlled entity	攤佔一家共同控制實體 (虧損)/溢利		(1,337)	940
Finance costs	融資成本	8	(2,313)	(3,129)
Loss before taxation	除稅前虧損	7	(27,715)	(28,510)
Taxation	稅項	10	527	-
Loss for the year	本年度虧損		(27,188)	(28,510)
Attributable to:	應佔：			
Equity holders of the parent	母公司股本持有人	11	(27,067)	(28,510)
Minority interests	少數股東權益		(121)	-
Loss for the year	本年度虧損		(27,188)	(28,510)
DIVIDEND	股息	12	-	-
			HK\$ 港元	HK\$ 港元
Loss per share	每股虧損	13		
Basic	基本		(1.47cents仙)	(4.52cents仙)
Diluted	攤薄		N/A不適用	N/A不適用

Consolidated Balance Sheet

綜合資產負債表

At 31 March 2008

於二零零八年三月三十一日

		Notes 附註	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	7,746	13,193
Interests in a jointly controlled entity	於一家共同控制實體之權益	16	21,326	20,604
Payment for investment in a joint venture	支付合營公司投資之款項	17	8,653	-
			37,725	33,797
Current assets	流動資產			
Inventories	存貨	18	4,940	7,675
Trade receivables	應收賬款	19	4,179	15,132
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		29,732	5,974
Financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之金融資產	20	-	245
Amount due from a jointly controlled entity	應收一家共同控制實體款項	21	30	65
Amount due from a related company	應收一家關連公司款項	22	-	6,535
Tax recoverable	可收回稅項		-	5,824
Pledged bank deposits	已抵押銀行存款		150	-
Cash and cash equivalents	現金及現金等值物	23	39,612	8,624
			78,643	50,074
Current liabilities	流動負債			
Trade payables	應付賬款	24	4,316	16,974
Other payables and accruals	其他應付款項及應計款項		21,198	1,667
Amount due to a director	應付一名董事款項	25	-	11,260
Amount due to a related company	應付一家關連公司款項	26	1,509	-
Secured bank loans	有抵押銀行貸款	28	-	25,293
Embedded financial derivatives	內含衍生金融工具	29	-	445
			27,023	55,639
Net current assets (liabilities)	流動資產(負債)淨額		51,620	(5,565)
Total assets less current liabilities	總資產減流動負債		89,345	28,232
Non-current liability	非流動負債			
Convertible notes	可換股票據	29	(51,721)	(15,747)
NET ASSETS	資產淨值		37,624	12,485
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	24,790	6,374
Reserves	儲備	32	12,955	6,111
			37,745	12,485
Minority Interests	少數股東權益		(121)	-
TOTAL EQUITY	權益總額		37,624	12,485

The financial statements on pages 39 to 135 were approved and authorised for issue by the Board of Directors on 24 June 2008 and are signed on its behalf by:

刊載於第39頁至135頁之財務報表已於二零零八年六月二十四日獲董事會批准及授權刊發，並由下列董事簽署：

DIRECTOR
董事

DIRECTOR
董事

Balance Sheet

資產負債表

At 31 March 2008
於二零零八年三月三十一日

		Notes 附註	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	附屬公司權益	15	108,902	36,271
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收款項、按金及 預付款項		235	-
Tax recoverable	可收回稅項		-	3
			235	3
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及 應計款項		662	373
Amounts due to subsidiaries	應付附屬公司款項	27	20	-
Embedded financial derivatives	內含衍生金融工具	29	-	445
			682	818
Net current liabilities	流動負債淨額		(447)	(815)
Total assets less current liabilities	總資產減流動負債		108,455	35,456
Non current liabilities	非流動負債			
Convertible notes	可換股票據	29	(51,721)	(15,747)
NET ASSETS	資產淨額		56,734	19,709
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	24,790	6,374
Reserves	儲備	32	31,944	13,335
TOTAL EQUITY	權益總額		56,734	19,709

DIRECTOR
董事

DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

		Attributable to equity holders of the Company 本公司股本持有人應佔									
		Equity component of convertible Share							Minority		
		Share capital	Share premium	Contributed surplus	note	option	Exchange reserve	Accumulated losses	Total	interests	Total
		股本	股份溢價	實繳盈餘	可換股票據權益部份	購股權儲備	匯兌儲備	累計虧損	總計	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	5,875	30,924	3,930	-	-	477	(21,977)	19,229	-	19,229
Placing of new shares of HK\$0.01 each completed on 16 May 2006	配售每股面值0.01港元之新股，於二零零六年五月十六日完成	499	19,491	-	-	-	-	-	19,990	-	19,990
Issuing expenses	發行費用	-	(120)	-	-	-	-	-	(120)	-	(120)
Exchange difference arising from translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	1,896	-	1,896	-	1,896
Loss for the year	本年度虧損	-	-	-	-	-	-	(28,510)	(28,510)	-	(28,510)
At 31 March 2007	於二零零七年三月三十一日	6,374	50,295	3,930	-	-	2,373	(50,487)	12,485	-	12,485
Issue of new shares of HK\$0.01 each completed on 31 July 2007	發行每股面值0.01港元之新股，於二零零七年七月三十一日完成	18,000	12,600	-	-	-	-	-	30,600	-	30,600
Issue of new shares of HK\$0.01 each completed on 29 February 2008	發行每股面值0.01港元之新股，於二零零八年二月二十九日完成	416	4,961	-	-	-	-	-	5,377	-	5,377
Issue of convertible notes on 11 October 2007	於二零零七年十月十一日發行可換股票據	-	-	-	12,154	-	-	-	12,154	-	12,154
Equity-settled share option arrangement	股本結算購股權安排	-	-	-	-	355	-	-	355	-	355
Exchange difference arising from translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌差額	-	-	-	-	-	3,841	-	3,841	-	3,841
Loss for the year	本年度虧損	-	-	-	-	-	-	(27,067)	(27,067)	(121)	(27,188)
At 31 March 2008	於二零零八年三月三十一日	24,790	67,856	3,930	12,154	355	6,214	(77,554)	37,745	(121)	37,624

Consolidated Cash Flow Statement

綜合現金流量表

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

	Notes 附註	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
CASH FLOW FROM OPERATING ACTIVITIES	經營業務之現金流量		
Loss before taxation:	除稅前虧損	(27,715)	(28,510)
Adjustments for:	為以下各項調整：		
Interest on convertible notes	可換股票據利息	1,475	2,333
Other interest expenses	其他利息支出	838	796
Share of loss/(profit) of a jointly controlled entity	攤佔一家共同控制實體虧損/(溢利)	1,337	(940)
Interest income	利息收入	(565)	(65)
Depreciation	折舊	3,392	2,151
Bad debts written off	壞賬撇銷	-	2,497
Exchange loss, net	匯兌虧損淨額	-	231
Consultancy fee	顧問費	-	19,990
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	9,130	-
Loss on disposal of interest in a jointly controlled entity	出售一家共同控制實體權益產生之虧損	-	499
Loss on disposal of property, plant and equipment	出售物業、機器及設備產生之虧損	6	6,668
Loss on redemption of convertible notes	贖回可換股票據之虧損	2,208	-
Amount due to a former director waived	豁免應付一名前董事款項	(3,172)	-
Fair value changes on embedded financial derivatives	內含衍生金融工具產生之公平值變動	-	(2,991)
Equity-settled share option expense	股本結算購股權支出	355	-
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(12,711)	2,659
Decrease/(increase) in inventories	存貨減少/(增加)	2,735	(7,379)
Decrease/(increase) in trade receivables	應收賬款減少/(增加)	10,953	(6,361)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(23,573)	(3,667)
Decrease/(increase) in amount due from a related company	應收一家關連公司款項減少/(增加)	6,535	(6,535)
Decrease/(increase) in amount due from a jointly controlled entity	應收一家共同控制實體款項減少/(增加)	35	(65)
Decrease in amount due to a jointly controlled entity	應付一家共同控制實體款項減少	-	(298)
Increase in amount due to a related company	應付一家關連公司款項增加	1,509	-
(Decrease)/increase in trade payables	應付賬款(減少)/增加	(12,658)	8,973
Increase in other payables and accruals	其他應付款項及應計款項增加	24,988	780
CASH USED IN OPERATION	營運所用現金	(2,187)	(11,893)
Tax refunded/(paid)	退回/(已付)稅項	6,351	(5,808)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	經營業務所得/(所耗)之現金淨額	4,164	(17,701)

Consolidated Cash Flow Statement

綜合現金流量表

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

	Notes 附註	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Payment for investment in a joint venture	於一間合營公司投資之款項	(8,653)	-
Increase in pledged bank deposit	已抵押銀行存款增加	(150)	-
Purchase of property, plant and equipment	購買物業、機器及設備	(5,830)	(1,475)
Purchase of financial assets	購入金融資產	-	(245)
Net cash outflow from disposal of subsidiaries	出售附屬公司之現金流出淨額	(20)	-
Investment in a jointly controlled entity	一家共同控制實體之投資	(513)	-
Interest received	已收利息	565	65
NET CASH USED IN INVESTING ACTIVITIES	投資活動所耗之現金淨額	(14,601)	(1,655)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Proceeds from/(payment for) placement of new shares	配售新股所得款項/(所付款項)	30,600	(120)
Proceeds from issue of convertible notes	發行可換股票據之所得款項	62,400	16,850
Repayment of convertible notes	可換股票據償還款項	(18,400)	-
Raised of new bank loan	新造銀行貸款	-	25,293
Repayment of bank loans	償還銀行貸款	(25,293)	-
Repayment of amount due to a director	償還應付一名董事款項	(8,088)	(16,889)
Interest paid	已付利息	(838)	(796)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得之現金淨額	40,381	24,338
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物增加淨額	29,944	4,982
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等值物	8,624	3,346
Effect of foreign exchange rate changes	外匯匯率變動之影響	1,044	296
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終之現金及現金等值物	39,612	8,624

Notes To Financial Statements

財務報表附註

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

1. CORPORATE INFORMATION

The principal activity of the company is investment holding. The principal activities of the Company's subsidiaries are set out in note 15 to the financial statements.

The registered office of the company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is located at 30th Floor, Times Media Centre, 133 Wan Chai Road, Hong Kong. The Company has its primary listing on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

A) Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

1. 公司資料

本公司之主要業務為投資控股。本公司各附屬公司之主要業務載於財務報表附註15。

本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而本公司之總辦事處兼香港主要營業地點則位於香港灣仔道133號星航資訊中心30樓。本公司於香港聯合交易所有限公司創業板（「創業板」）擁有第一上市地位。

2. 主要會計政策

A) 遵例聲明

財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之一切適用香港財務報告準則（「香港財務報告準則」）（此乃包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋之統稱）及香港公認會計原則而編製。財務報表同時遵守香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之適用披露條文及香港公司條例之披露規定。本集團所採納之主要會計政策概述如下。

Notes To Financial Statements

財務報表附註

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

A) Statement of Compliance (Continued)

These financial statements have been prepared under historical cost convention except for financial assets at fair value through profit or loss that have been measured at fair value.

The Group has adopted the following new standards, amendments and interpretations of new HKFRS that have been issued and effective for the current year's financial statements. The adoption of such standards did not have a material effect on these financial statements.

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

2. 主要會計政策(續)

A) 遵例聲明(續)

財務報表乃根據歷史成本法而編製，惟按公平值列賬及在損益賬處理之金融資產已按公平值計量則除外。

本集團已於本年度之財務報表內採納下列已頒佈及生效之新香港財務報告準則之新訂準則、修訂及註釋。採納此等準則對本財務報表並無重大影響。

香港會計 準則第1號 (修訂)	資本披露
香港財務報告 準則第7號	金融工具： 披露
香港(國際財務 報告詮釋 委員會) — 詮釋第8號	香港財務報告 準則第2號 之範圍
香港(國際財務 報告詮釋 委員會) — 詮釋第9號	重新評估嵌入 式衍生工具
香港(國際財務 報告詮釋 委員會) — 詮釋第10號	中期財務報告 及減值
香港(國際財務 報告詮釋 委員會) — 詮釋第11號	香港財務報告 準則第2號 — 集團及庫 存股份交易

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

A) Statement of Compliance (Continued)

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2008 and which have not been adopted in these financial statements.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellation ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 12	Service Concession Arrangements ³
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

2. 主要會計政策 (續)**A) 遵例聲明 (續)**

截至本財務報表刊發日期止，香港會計師公會已頒佈若干修訂、新準則及詮釋，而有關修訂、新準則及詮釋尚未於截至二零零八年三月三十一日止年度生效及並無於本財務報表中獲採納。

香港會計準則第1號(修訂)	財務報表之呈列 ¹
香港會計準則第23號(修訂)	借貸成本 ¹
香港會計準則第27號(修訂)	綜合及獨立財務報表 ²
香港財務報告準則第2號(修正)	歸屬條件及註銷 ¹
香港財務報告準則第3號(修訂)	業務合併 ²
香港財務報告準則第8號	經營分類 ¹
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務經營權安排 ³
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產、最低資金要求及兩者之互動關係 ³

Notes To Financial Statements

財務報表附註

For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

A) Statement of Compliance (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2009
- 2 Effective for annual periods beginning on or after 1 July 2009
- 3 Effective for annual periods beginning on or after 1 January 2008
- 4 Effective for annual periods beginning on or after 1 July 2008

The adoption HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

B) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries and the Group's interest in jointly controlled entity for the year ended 31 March 2008. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from or to the date of their acquisition or disposal, as appropriate. All material inter-company transactions and balances are eliminated on consolidation.

2. 主要會計政策(續)

A) 遵例聲明(續)

- 1 適用於二零零九年一月一日或之後開始之年度期間
- 2 適用於二零零九年七月一日或之後開始之年度期間
- 3 適用於二零零八年一月一日或之後開始之年度期間
- 4 適用於二零零八年七月一日或之後開始之年度期間

採納香港財務報告準則第3號(修訂)可能影響收購日期為首次年度申報期間於二零零九年七月一日或以後開始之業務合併會計。香港會計準則第27號(修訂)將影響母公司於附屬公司的權益變動(而不導致失去控制權)之會計處理方式,將計入作股本交易。本公司董事預期採納其他新或經修訂準則及詮釋將不會對本集團之業績及財務資料造成重大影響。

B) 綜合賬目

綜合財務報表包括本公司及其所有附屬公司及本集團於共同控制實體擁有之權益於截至二零零八年三月三十一日止年度之財務報表。年內所收購或出售附屬公司之業績已按收購日期起或直至出售日期止(如適用)列入綜合收益表。所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

B) Consolidation (Continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet with equity, separately from equity attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

2. 主要會計政策(續)**B) 綜合賬目(續)**

少數股東權益指並非由本公司(不論為直接或間接透過附屬公司持有)擁有之權益應佔之附屬公司資產淨值部分,而本集團亦並無就此與該等符合金融負債定義之權益之持有人協定任何額外條款。少數股東權益於綜合資產負債表內呈列為權益,與本公司股本持有人應佔之權益分列。少數股東於本集團業績之權益會於綜合收益表內呈列為年度溢利或虧損總額於少數股東及本公司股本持有人間之分配。

倘少數股東應佔之虧損高於少數股東於附屬公司股本之權益,超出部分及少數股東應佔之任何進一步虧損將於本集團之權益中扣除,惟倘少數股東有具約束力之責任進行額外投資以彌補虧損且有能作出此舉者則除外。倘附屬公司其後錄得溢利,本集團之權益將獲分配所有該等溢利,直至本集團過往所承擔之少數股東分佔虧損全數收回為止。

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財務報表附註

For the Year ended 31 March 2008
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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

C) Subsidiaries

A subsidiary is a company controlled by the Company. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from their activities.

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

D) Jointly Controlled Entities

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

An investment in a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the jointly controlled entity's net assets, unless it is classified as held for sale. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the jointly controlled entities for the year.

2. 主要會計政策(續)

C) 附屬公司

附屬公司指受本公司控制之公司。倘若本公司有權直接或間接監管附屬公司之財務及營運政策，從而自彼等業務獲得利益，則該附屬公司會被視為受控制。

於附屬公司之投資已按成本值減任何已識別減值虧損而計入本公司之資產負債表內。附屬公司之業績由本公司按已收及應收股息之基準入賬。

D) 共同控制實體

共同控制實體乃本集團或本公司與其他方根據合約安排經營之企業。有關之合約安排訂明本集團或本公司與一名或以上之其他方共同控制該企業之經濟活動。

於共同控制實體之投資按權益法計入綜合財務報告，並且以成本初始入賬，其後就本集團所佔該共同控制實體資產淨額之收購後變動作出調整，惟分類為待出售除外。綜合收益表包括本年度本集團應佔共同控制實體之收購後與除稅後業績。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

D) Jointly Controlled Entities (Continued)

When the Group's share of losses exceeds its interest in the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity. For this purpose, the Group's interest in the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

E) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives.

2. 主要會計政策(續)**D) 共同控制實體(續)**

當本集團應佔共同控制實體之虧損超過其權益時，本集團應佔權益便會減少至零，並且不再確認額外虧損；惟本集團須履行法定或推定義務，或代共同控制實體作出付款除外。就此而言，本集團應佔共同控制實體權益為按照權益法計算之投資賬面值，以及實質上構成本集團在共同控制實體投資淨額之長期權益。

本集團與其共同控制實體間之交易所產生之未變現損益，均按本集團應佔共同控制實體權益抵銷；未確認虧損能證明已轉讓資產出現減值除外，並即時在收益表確認。

E) 物業、機器及設備

物業、機器及設備乃按成本值減累計折舊及減值虧損列賬。

修復物業、機器及設備達至正常運作狀況產生之主要成本均自收益表中扣除。物業裝修開支乃撥充資本並按其預期可使用年期折舊。

Notes To Financial Statements

財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Property, Plant and Equipment (Continued)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Depreciation is calculated on the straight-line basis to write-off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Computers	電腦	25%
Leasehold improvements	租賃物業裝修	Over the shorter of the lease terms and 20% 按租期及 20%(以較短者為準)
Motor vehicles	汽車	20%
Furniture, fixtures and equipment	傢俬、裝置及設備	20%
Plant and machinery	機器及設備	10%
Moulds	模具	20%

2. 主要會計政策(續)

E) 物業、機器及設備(續)

在超過現有資產原先評估的表現水平的未來經濟效益很可能流入企業時，與物業、機器及設備有關而且已確認之其後支出便會加入資產的賬面值。所有其他其後支出則在產生期間確認為支出。

出售物業、機器及設備之收益或虧損乃釐訂為出售有關資產所得款項淨額與其賬面值的差額，並於收益表內確認。

折舊乃以直線法按估計可使用年期撇銷各項資產之成本值計算。採用之主要年率如下：

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

E) Property, Plant and Equipment (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

F) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on a first-in, first-out basis, comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)**E) 物業、機器及設備(續)**

倘物業、機器及設備項目部分之可使用年期不同，項目成本或估值則於各部分之間按合理基準分配，而各部分將個別折舊。資產可使用年期及其剩餘價值(如有)會每年審閱。

F) 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按先入先出準則計算，包括將存貨達致目前地點及狀況所涉及之所有購買成本、兌換成本及其他成本。

可變現淨值乃按日常業務過程中之估計售價減預期完成成本及預期出售時所需成本計算。

當存貨出售時，此等存貨之賬面值會於其相關之收入確認時確認為支出。存貨按變現淨值減值及所有存貨損失會確認為減值或損失發生期間之支出。因可變現淨值增加而需撥回之任何存貨之減值，會在出現撥回之期間所確認之存貨支出調低。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instruments. 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 the consolidated income statement.

Financial assets

The Group's financial assets are classified into four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

2. 主要會計政策(續)

G) 金融工具

金融資產及金融負債乃於集團公司成為工具之合約條文之訂約方時在資產負債表內確認。金融資產及金融負債初步以公平值計量。與收購或發行金融資產及金融負債(按公平值列賬及在損益賬處理之金融資產及金融負債除外)直接相關之交易成本，會於初步確認時計入金融資產或金融負債(視何者適用)內或自當中扣除。與收購按公平值列賬及在損益賬處理之金融資產及金融負債直接相關之交易成本，會即時在綜合收益表內確認。

金融資產

本集團之金融資產分為四個類別，包括：按公平值列賬及在損益賬處理之金融資產、貸款及應收款項、持有至到期之投資以及可供出售金融資產。分類乃根據所收購投資之用途而定。管理層於首次確認投資時決定分類，並於各申報日期重新評估有關分類。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (Continued)*Financial assets (Continued)**i) Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

2. 主要會計政策(續)**G) 金融工具(續)***金融資產(續)**i) 按公平值列賬及在損益賬處理之金融資產*

此類別有兩項分類：持作買賣及指定於首次確認時按公平值列賬及在損益賬處理之金融資產。若金融資產主要收購作短期出售或由管理層指定，則列作此類別。除非衍生工具指定用作對沖，否則亦列為持作買賣。此類別之資產若非持作買賣或預期不會於結算日後十二個月內變現，亦列作流動資產。

ii) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款且在活躍市場並無報價之非衍生金融資產，於本集團直接向借方提供金錢、貨品或服務而無意買賣應收款項時產生，將列入流動資產，惟於結算日起計十二個月後到期之資產則列作非流動資產。貸款及應收款項列入資產負債表之貿易及其他應收款項。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (Continued)

Financial assets (Continued)

iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

iv) *Available-for-sale financial assets*

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

2. 主要會計政策(續)

G) 金融工具(續)

金融資產(續)

iii) *持有至到期之投資*

持有至到期之投資為有固定或可釐定付款，而本集團管理層有意及有能力持有至到期之非衍生金融資產。年內，本集團並無持有任何此類投資。

iv) *可供出售金融資產*

可供出售金融資產為列入此類別或並無列入任何其他類別之非衍生工具，將列為非流動資產，惟管理層有意於結算日起計十二個月內出售投資者除外。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (Continued)*iv) Available-for-sale financial assets
(Continued)*

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

2. 主要會計政策(續)**G) 金融工具(續)***iv) 可供出售金融資產(續)*

買賣投資乃於交易日(即本集團承諾購買或出售資產當日)確認。投資首先按公平值加所有非按公平值列賬及在損益賬處理之金融資產交易成本入賬。當收取投資現金之權利已到期或已轉讓，而本集團已轉讓所有權之絕大部分風險及回報時，投資將終止確認。可供出售金融資產及按公平值列賬及在損益賬處理之金融資產其後按公平值入賬。貸款及應收款項以及持有至到期之投資以實際利息法按攤銷成本入賬。「按公平值列賬及在損益賬處理之金融資產」公平值變動所產生之已變現及未變現損益於產生時列入收益表。列作可供出售之非貨幣性證券公平值變動所產生之未變現損益於權益中確認入賬。列作可供出售之資產出售或出現減值時，累計公平值調整列入收益表為投資證券損益。

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財務報表附註

For the Year ended 31 March 2008
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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (Continued)

iv) Available-for-sale financial assets (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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

2. 主要會計政策(續)

G) 金融工具(續)

iv) 可供出售金融資產(續)

上市投資之公平值按當時買入價計算。若金融資產之市場並不活躍(及非上市證券)，則本集團將以估值技巧計算公平值。該等技巧包括參考最近期公平交易、參考大致相同之其他工具、貼現現金流分析以及可反映發行人獨有情況之期權定價模式。

本集團於各結算日檢討有否客觀證據顯示一項或一組金融資產值出現減值。列作可供出售之股本證券公平值如出現重大或持續下跌至低於其成本，則須釐定是否出現減值。若有跡象顯示可供出售金融資產減值，則累計虧損(收購成本與現時公平值之差額，扣減任何過往於收益表確認之金融資產減值虧損)將由權益扣除，並於收益表確認。於收益表確認之股本工具減值虧損不得於收益表撥回。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (Continued)*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 financial liabilities at fair value through profit or loss and 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 bills payables, other payables and accruals and bank borrowings 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.

2. 主要會計政策(續)**G) 金融工具(續)***金融負債及股本*

由集團實體發出之金融負債及股本工具乃按所訂立之合約安排之實質內容以及金融負債及股本工具之定義分類。

股本工具指任何於扣除所有負債後出現集團資產剩餘權益之合約。本集團之金融負債一般分類為於損益賬按公平值處理的金融負債及其他金融負債。就金融負債及股本工具採納之會計政策如下。

其他金融負債

其他金融負債，包括應付賬款及票據、其他應付款項及應計費用及銀行借貸，均於期後以實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具乃按所收之所得款項減直接發行成本入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

G) Financial instruments (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 the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statement.

For financial liabilities, they are removed from the Group's balance sheet 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 received or receivable is recognised in the consolidated income statement.

2. 主要會計政策(續)

G) 金融工具(續)

終止確認

倘收取資產現金流量之權利屆滿，或金融資產已轉讓而本集團已將金融資產之絕大部分風險及所有權回報轉讓，則終止確認金融資產。於終止確認金融資產後，資產賬面值與所收代價總額之差額，以及已直接於股本確認之累計收益及虧損乃於綜合收益表確認。

就金融負債而言，倘相關合約訂明之義務獲解除、註銷或屆滿，則金融負債自本集團資產負債表中刪除。終止確認金融負債賬面值與所收或應收代價之差額乃於綜合收益表中確認。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

H) Impairment of Assets*i) Impairment of investments in equity securities and other receivables*

Investments in equity securities (other than investments in subsidiaries and jointly controlled entity) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)**H) 資產減值***i) 股本證券投資以及其他應收款項之減值*

本集團於各結算日審閱已按成本或攤銷成本入賬之股本證券投資(於附屬公司及共同控制實體之投資除外)以及其他流動及非流動應收款項或已分類之可供出售證券,以確定是否有客觀之減值證據。減值之客觀證據包括本集團注意到下列一項或多項虧損事件之明顯數據:

- 債務人出現重大財務困難;
- 違約,例如無法或無力支付利息或本金;
- 債務人極有可能破產或進行其他財務重組;
- 技術、市場、經濟或法律環境出現對債務人成不利影響之重大變動;及
- 於股本工具之投資之公平值大幅或長期低於其成本。

Notes To Financial Statements

財務報表附註

For the Year ended 31 March 2008
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H) Impairment of Assets (Continued)

*i) Impairment of investments in debt and equity securities and other receivables
(Continued)*

If any such evidence exists, any impairment loss

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

2. 主要會計政策(續)

H) 資產減值(續)

i) 債務及股本證券投資以及其他應收款項之減值(續)

倘存在任何有關證據，任何減值虧損

- 就按成本列賬之非上市股本證券而言，如貼現之影響屬重大，減值虧損以金融資產之賬面金額與以同類金融資產當時之市場回報率貼現之預計未來現金流量間差額計量。股本證券之減值虧損不可撥回。
- 就以攤銷成本列賬之應收賬款及其他當期應收款項而言，如貼現之影響屬重大，減值虧損以資產之賬面金額與以其原有實際利率(即在初次確認有關資產時計算之實際利率)貼現預計未來現金流量現值間差額計量。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

H) Impairment of Assets (Continued)

- i) Impairment of investments in debt and equity securities and other receivables*
(Continued)

This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective Group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策 (續)**H) 資產減值** (續)

- i) 債務及股本證券投資以及其他應收款項之減值* (續)

是項評估乃就以攤銷成本例值、風險特點類近(如類似之過往欠款狀況)且並無被獨立評估為減值之金融資產一併進行。一併評估減值之金融資產未來現金流乃根據信貸風險特點與本集團類近之資產之過往虧損歷史計算。

如減值虧損於往後期間減少，且客觀上與減值虧損確認後發生之事件有關，減值虧損則透過計入收益表撥回。減值虧損撥回後資產之賬面金額不能超逾其在過往年度並無確認任何減值虧損而應已釐定之數額。

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財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H) Impairment of Assets (Continued)

ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investments in subsidiaries; and
- investment in a jointly controlled entity.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. 主要會計政策(續)

H) 資產減值(續)

ii) 其他資產減值

於各結算日，本集團均會審閱內部及外部資料來源，以識別下列資產有否出現減值的跡象，或過往確認之資產減值虧損已不再存在或已減少的跡象：

- 物業、機器及設備；
- 於附屬公司之投資；及
- 於一家共同控制實體之投資。

倘有任何該等跡象存在，該資產之可收回金額須予以評估。此外，商譽、尚未可動用之無形資產及無可用年限之無形資產不論有否出現減值跡象，均須每年估計可收回金額。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

H) Impairment of Assets (Continued)*ii) Impairment of other assets*
(Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策 (續)**H) 資產減值** (續)*ii) 其他資產減值* (續)

- 計算可收回金額

資產之可收回金額乃資產淨售價或資產使用值之較高者。評估使用值時，估計未來現金流按可反映貨幣時間價值與相關資產特有風險之現時市場評估之稅前貼現率貼現成現值。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)來釐定可收回金額。

- 確認減值虧損

當資產或所屬現金產生單位之賬面值高於其可收回金額，則於收益表確認減值虧損。現金產生單位之已確認減值虧損先於任何分配至一項或一組現金產生單位之商譽賬面值扣減，然後按比例於該項或該組單位之其他資產賬面值扣減，惟資產賬面值不可減至低於個別資產公平值減出售成本或使用值(如可計算)。

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財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H) Impairment of Assets (Continued)

ii) Impairment of other assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in income statement.

2. 主要會計政策(續)

H) 資產減值(續)

ii) 其他資產減值(續)

- 撥回減值虧損

就商譽以外之資產而言，倘若用以釐定可收回金額之估計因素出現變動，則會撥回減值虧損。商譽之減值虧損不予撥回。

減值虧損之撥回金額不得超過假設以往年度並無確認減值虧損而可能釐定之資產賬面值。減值虧損之撥回金額於確認撥回之年度計入收益表。

減值虧損從相應資產中直接註銷，但就貿易及其他應收款項內的貿易應收賬款及應收票據(其可收回性被視為有疑問但並非可能性極低)所確認的減值虧損除外。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團認為收回賬款的可能性極低，則視為不可收回的金額會直接從貿易應收賬款及應收票據中註銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接註銷的款項均於收益表確認。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

H) Impairment of Assets (Continued)*iii) Interim financial reporting and impairment*

Under the GEM Listing Rules, the Company is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale financial asset carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

I) Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired. Cash and cash equivalents include investments and advances denominated in foreign currencies provide that they fulfill the above criteria.

For the purposes of the cash flow statement, cash and cash equivalents would also include bank overdrafts and advances from banks repayable within three months from the date of the advance.

2. 主要會計政策 (續)**H) 資產減值 (續)***iii) 中期財務報告及減值*

根據創業板上市規則，本公司需按照香港會計準則第34號「中期財務報告」之規定，編製財政年度首六個月之中期財務報告。於中期期間之期結日，本集團應用與財務年度年結日相同之減值測試、確認及撥回條件。

於中期期間就商譽及按成本列值之可供出售金融資產確認之減值虧損不會於往後期間撥回。儘管倘與中期期間相關之減值僅於財政年度年結日評估，且並無確認虧損或虧損減少，但有關減值虧損亦不會於其後撥回。

I) 現金及現金等值物

現金及現金等值物乃短期、容易變現，在毋須事先發出通知之情況下可靈活地兌換為已知款額之現金，而在購入時已知到期日在三個月內之投資。現金及現金等值物包括以外幣計值但符合上述規格之投資及墊款。

在編製現金流量表時，現金及現金等值物亦將包括由墊款日期起計三個月內須償還之銀行透支及墊款。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

J) Convertible Note

i) Convertible notes that contain an equity component

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

An initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

2. 主要會計政策(續)

J) 可換股票據

i) 附有權益部分之可換股票據

倘可由持有人選擇轉換為權益股本之可換股票據於作出轉換時將予發行之股份數目及於其時所收取之代價不會改變，則會之包含負債部分及權益部分之複合金融工具入賬。

可換股票據負債部分於初部確認時，乃以未來利息及本金付款之現值(以並無換股權之類似負債初步確認時之適用市場息率貼現)計量。所得款項超出作為負債部分於初步確認時之任何部分會確認為權益部分。與發行複合金融工具相關之交易成本會按所得款項之分配比例分配至負債及權益部分。

負債部分其後以攤銷成本計量。於收益表就負債部分確認之利息開支乃以實際利息法計量。權益部分會於股本儲備確認，直至票據轉換或贖回為止。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

J) Convertible Note (Continued)**i) Convertible notes that contain an equity component** (Continued)

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

ii) Other convertible notes

Convertible notes which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in income statement.

2. 主要會計政策(續)**J) 可換股票據(續)****i) 附有權益部分之可換股票據(續)**

倘票據被轉換，股本儲備連同負債部分於轉換當時之賬面值將轉撥至股本及股份溢價，以作為所發行股份之代價。倘票據被贖回，股本儲備會直接解除至保留溢利。

ii) 其他可換股票據

不含權益部分之可換股票據會於下列方式入賬：

可換股票據之衍生部分初步乃以公平值確認，並呈列為衍生金融工具之部分所得款項超出作為衍生工具於初步確認之金額之任何部分會確認為負債部分。與發行可換股票據相關之交易成本會按所得款項之分配比例分配至負債及衍生工具部分。與負債部分相關之交易成本初步會確認為部分負債。與衍生工具相關之部分會即時於收益表中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J) Convertible Note (Continued)

ii) Other convertible notes (Continued)

The derivative component is subsequently remeasured. The gain or loss on remeasurement to fair value is charged immediately to income statement, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation. The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in income statement.

K) Provisions and Contingent Liabilities

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

2. 主要會計政策(續)

J) 可換股票據(續)

ii) 其他可換股票據(續)

衍生工具部分其後會重新計量。重新計量公平值之盈虧隨即於收益表扣除，惟衍生工具符合現金流量對沖會計處理或對沖國外業務之投資淨額。負債部分其後會以攤銷成本列值。於收益表內就負債部分確認之利息開支會以實際利息法計算。

倘票據獲轉換，衍生工具及負債部分之賬面值會轉撥至股本及股份溢價，以作為所發行股份之代價。倘票據被贖回，所支付金額與兩個部分賬面值間之金額會於收益表內確認。

K) 撥備及或然負債

當本公司或本集團因過去事件而大有可能須承擔法律責任或引伸責任，且可能因承擔該等責任而流出經濟利益及能可靠衡量相關金額時，將就時間或數額不明確之負債作出撥備。倘若貨幣時間價值重大，則撥備按預期解除責任所需開支之現值入賬。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

K) Provisions and Contingent Liabilities

(Continued)

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

L) Revenue Recognition

Revenue is recognised when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably.

- i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- ii) Income in respect of telecommunication services provided to customers is recognised when the services are rendered.
- iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

M) Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

2. 主要會計政策(續)**K) 撥備及或然負債(續)**

若解除責任未必需要耗用經濟利益，或數額未能可靠地估計時，除非耗用經濟利益之可能性極低，否則該責任將列作或然負債，而僅可以一項或多項未來事項發生或不發生而確認之潛在承擔，除非耗用經濟利益之可能性極低，否則亦列作或然負債。

L) 收益確認

本集團於日後可能獲得經濟利益而該等收益亦能可靠計算時確認收益。

- i) 貨物銷售所得收入於擁有權之風險及回報轉移至客戶時確認入賬，一般與貨物付運予客戶及所有權移交同時發生。
- ii) 向客戶提供電訊服務之收入於提供服務時確認。
- iii) 利息收入乃根據未提取本金金額及適用利率按時間比例計算。

M) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產與負債之變動。即期稅項及遞延稅項資產與負債之變動於收益表確認，惟與直接確認為權益之項目有關者則於權益中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M) Income Tax (Continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策(續)

M) 所得稅(續)

即期稅項為本年度應課稅收入之預期應繳稅項(稅率為於結算日之現行或實質稅率)及就過往年度應繳稅項作出之任何調整。

遞延稅項資產及負債分別源自可扣稅及應課稅暫時差額，即財務申報之資產及負債之賬面值與其稅基之差額。遞延稅項資產亦源自未動用稅項虧損及未使用稅項抵免。

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產於可能有日後應課稅溢利抵銷遞延稅項資產時確認。可引證確認源自可扣稅暫時差額之遞延稅項資產之日後應課稅溢利，包括該等源自轉回現有應課稅暫時差額，惟差額須與相同稅務機關及相同稅務實體有關，並預期於轉回可扣稅差額之同一期間或源自遞延稅項資產之稅項虧損可撥回或結轉之期間轉回。如該等差額與相同稅務機關及相同稅務實體有關，並預期可於動用稅項虧損或稅項抵免期間轉回，則釐定現有應課稅暫時差額是否足以確認源自未動用稅項虧損及稅項抵免之遞延稅項資產時，亦採納相同準則。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

M) Income Tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策(續)**M) 所得稅(續)**

確認遞延稅項資產及負債之有限例外情況包括：不可扣稅商譽所產生之暫時差異、不影響會計及應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初步確認，以及於附屬公司之投資之暫時差異，如為應課稅差異，只限於本集團控制轉回時間而且在可預見未來不大可能轉回之差異；或如屬可予扣減之差異，則只限於可在將來可能轉回之差異。

所確認之遞延稅項金額，乃按照各資產及負債項目原計劃之變現或償還方式，以其賬面值及於結算日所頒行或大致頒行之稅率所計算。遞延稅項資產及負債並未以貼現法計算。

遞延稅項資產之賬面值會於每一個結算日予以評估。當不再可能產生足夠應課稅溢利以使用相關之稅務利益，則遞延稅項資產會相應地被減少至其預期可實現之數額。但如可能有足夠應課稅溢利，該減值將被撥回。

來自分派股息之額外所得稅在支付有關股息時確認為負債。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M) Income Tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously: or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

M) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及有關變動均獨立呈列，不予抵銷。倘並僅於本公司或本集團具備合法權力將即期稅項資產與即期稅項負債抵銷，且符合以下額外條件，則即期稅項資產與即期稅項負債相抵，而遞延稅項資產則與遞延稅項負債相抵：

- 就即期稅項資產及負債而言，本公司或本集團擬按淨值基準結算或同時變現資產及清付負債；或
- 就遞延稅項資產及負債而言，倘與相同稅務機構徵收之所得稅有關：
 - 相同稅務實體；或
 - 於各個預期清付或收回遞延稅項負債或資產之重大金額之日後期間，不同稅務實體擬按淨值基準變現即期稅項資產及清付即期稅項負債或同時變現及清付。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

N) Operating Leases

Lease where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

O) Employee Benefits

ij Short-term employee benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employee of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. 主要會計政策(續)

N) 經營租約

資產所有權絕大部分回報與風險由出租人享有及承擔之租約均列為經營租約。倘本集團為出租人，則本集團根據經營租約所出租之資產將計入非流動資產，經營租約之應收租金則於租約期內以直線法計入收益表。倘本集團為承租人，則該等經營租約之應付租金乃於租約期內以直線法於收益表內扣除。

O) 僱員福利

ij 短期僱員福利

薪金、年度花紅、有薪年假、度假旅費以及本集團之非現金福利成本於本集團僱員提供相關服務時累算。倘出現付款或結算延誤而導致重大影響，則該等數額以現值列賬。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

O) Employee Benefits (Continued)

ii) Contributions to defined contribution retirement plan

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

The Group contributes on a monthly basis to defined contribution retirement benefit plan organized by relevant municipal governments in the People's Republic of China ("PRC"). The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees payable under the plan. Contribution to the plan is expensed as incurred. The assets of the plan are held separately from those of the Group in independently administered funds managed by the PRC Government.

2. 主要會計政策(續)

O) 僱員福利(續)

ii) 向界定供款退休計劃作出供款

本集團根據強制性公積金計劃條例為合資格參與定額供款強制性公積金退休福利計劃(「香港計劃」)之僱員設立香港計劃。香港計劃自二零零零年十二月一日起生效。供款乃按僱員底薪之一定百分比作出，並依據香港計劃規則於應付時在收益表內扣除。香港計劃資產與本集團資產分開，以獨立管理基金形式持有。對香港計劃作出供款時，本集團之僱主供款全數歸僱員所有。

本集團按每月基準就中華人民共和國(「中國」)有關直轄市政府推出之定額供款退休福利計劃進行供款。直轄市政府負責監管計劃下所用應付現有及未來退休僱員之退休福利責任。計劃之供款於產生時支銷。計劃之資產與本集團由中國政府管理之獨立基金之資產分開持有。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

0) Employee Benefits (Continued)

iii) Share-based compensation

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. 主要會計政策(續)**0) 僱員福利(續)**

iii) 以股份為基礎之補償

本集團設立一項以股份為基礎之股本結算補償計劃。授出購股權以換取所獲僱員服務之公平值確認為開支。於歸屬期開支之總額乃參考所授出購股權公平值(不包括任何例如盈利能力及銷售增長目標等非市場歸屬條件之影響)釐定。在假設預期可行使購股權數目時會計入非市場歸屬條件。於各結算日，實體修訂其預期可行使購股權數目，並在收益表確認修訂原估計之影響(如有)，並在餘下歸屬期於權益作出相應調整。

扣除任何直接應佔交易成本後之已收所得款項計入股本(按面值)，而在購股權獲行使時則計入股份溢價。

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

P) Borrowing Costs

Borrowing costs are expensed in income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2. 主要會計政策(續)

P) 借貸成本

借貸成本於產生期間內於收益表支銷，惟倘其撥充資本為直接收購、建造或生產須經一段頗長時間始能投入作擬定用途或出售之某項資產，則作別論。

借貸成本於資產產生開支、借貸成本產生及需要準備資產作其擬定用途或出售時，開始撥充資本作為合資格資產成本其中部分。借貸成本於準備合資格資產作其擬定用途或出售所需一切活動中斷或完成時，暫停或終止撥充資本。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Q) Foreign Currencies*Functional and presentation currency*

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

Transactions and balances

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

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Group companies

The financial statements of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

2. 主要會計政策(續)**Q) 外幣***功能及呈報貨幣*

本集團各成員公司財務報表之項目均按該公司經營所在之主要經濟環境貨幣(「功能貨幣」)計值。綜合財務報表乃以本公司之功能及呈報貨幣港元呈列。

交易及結餘

外幣交易按交易日之匯率換算為功能貨幣。結算交易及按年終之匯率換算以外幣列值貨幣資產及負債所產生之匯兌損益於收益表確認，惟於權益內遞延作為合資格現金流量對沖及合資格淨投資對沖除外。

以歷史成本計量之外幣非貨幣資產及負債乃以交易日期之外幣匯率換算。按公平值列賬之以外幣計值之非貨幣資產及負債乃以公平值釐定當日之外幣匯率換算。

集團公司

功能貨幣與呈報貨幣不同之所有本集團成員公司(其經營經濟之貨幣概無嚴重通脹)之業績及財務狀況，乃按以下方式換算為呈報貨幣：

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2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Q) Foreign Currencies (Continued)

Group companies (Continued)

- i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- ii) income and expenses for each income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii) all resulting exchange differences are recognised as a separate component of equity.

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

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

2. 主要會計政策(續)

Q) 外幣(續)

集團公司(續)

- i) 各資產負債表之資產及負債按相關結算日之收市匯率換算；
- ii) 所呈報各收益表之收入及開支按平均匯率換算(惟若平均匯率並非交易日期之主要匯率累計影響之合理約數，收入及開支則按交易日之匯率換算)；及
- iii) 所有產生之匯兌差額確認為權益之獨立部分。

於綜合賬目時，換算海外公司投資淨額、借款及其他用作對沖投資之貨幣工具所產生之匯兌差額計入股東權益。出售海外業務時，該等匯兌差額於收益表確認為出售損益之部分。

收購海外公司產生之商譽及公平值調整視作海外公司之資產及負債部分，按收市匯率換算。

2. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

R) Related Parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

S) Segment Reporting

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

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purpose of these financial statements.

2. 主要會計政策(續)**R) 關連人士**

就財務報表而言，關連人士指本集團可直接或間接控制其他人士或對其財務及經營決策有重大影響力之人士(反之亦然)，或本集團與該人士受相同控制或相同重大影響。關連人士可以是個別人士(主要管理人員、主要股東及／彼等之直系親屬)或其他公司，包括受本集團關連人士重大影響之公司或個別人士及以本集團或屬本集團關連人士之公司僱員為受益人之僱傭後福利計劃。

S) 分類報告

分類指本集團從事提供產品或服務(業務分類)或在特定經濟環境提供產品或服務(地區分類)之個別部分，而其所承擔之風險及回報亦與其他分類不同。

根據本集團之內部財務申報規定，就此等財務報表而言，本集團選定業務分類資料為主要申報形式，而地區分類資料為次要申報形式。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S) Segment Reporting (Continued)

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

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

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

2. 主要會計政策(續)

S) 分類報告(續)

分類收入、開支、業績、資產與負債包括直接與該分類有關之項目，亦包括可合理列作有關分類之項目。例如分類資產可包括存貨、應收賬款以及物業、機器及設備。分類收入、開支、資產與負債在扣除綜合賬目時須撇銷之集團內公司間結餘及交易前而釐定，惟屬同一分類之集團內公司間結餘及交易則除外。同一分類根據與外界各方之類似條款定價。

分類資本開支即年內收購預期使用超過一年之分類資產(有形及無形資產兩者)所動用成本總額。

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

3. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, Singapore dollars, United States dollars and Renminbi.

Most of the trading transactions of the Group were denominated in Euro, United States dollars and in Renminbi. As the Group considers the risk of movements in exchange rates between the Hong Kong dollar and the United States dollar to be insignificant, while the official rates for United States dollars has remained stable and the risk on Renminbi exposure is insignificant for the year 2008, no hedging or similar measures have been implemented by the Group. As at 31 March 2008, the Group was not exposed to risks under foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 31 March 2008, most assets and liabilities of the Group were denominated in Hong Kong dollars. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

3. 金融工具

本集團業務面對多項財務風險。本集團之整體風險管理計劃針對金融市場之不可預測因素，並致力減少對本集團財務表現之潛在不利影響。

A) 外匯風險

本集團所面對之外匯風險主要來自以相關業務功能貨幣以外之貨幣入賬之買賣。產生此項風險之貨幣主要為歐元、新加坡元、美元及人民幣。

本集團大部分交易乃以歐元、美元及人民幣計值。由於本集團認為港元兌美元之匯率變動風險不大，而美元之匯率於二零零八年保持穩定，而人民幣風險亦不重大，本集團並無進行對沖或類似措施。於二零零八年三月三十一日，本集團並無承受外匯合約、利息或外幣掉期或其他金融衍生工具之風險。

於二零零八年三月三十一日，本集團大部分資產及負債乃以港元計值。基於上述原因，管理層預期本集團之借款並無任何重大外匯風險。

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3. FINANCIAL INSTRUMENTS (CONTINUED)

A) Foreign currency risk (Continued)

i) Exposure to currency risk

The following table details the Group's exposure at the balance sheet date to currency risk arising from assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

Group

	Notes 附註	2008 二零零八年			2007 二零零七年		
		SGD'000 新加坡幣千元	US\$'000 千美元	RMB'000 人民幣千元	SGD'000 新加坡幣千元	US\$'000 千美元	RMB'000 人民幣千元
Trade receivables 應收賬款	19	-	533	-	-	-	14,957
Cash and cash equivalent 現金及現金等值物	23	35	4,637	1,267	-	120	7,614
Trade payables 應付賬款	24	(34)	(42)	(3,418)	-	-	(16,778)
Secured bank loans 有抵押銀行貸款	28	-	-	-	-	-	(25,000)
Overall net exposure 整體風險淨額		1	5,128	(2,151)	-	120	(19,207)

As at 31 March 2008 and 2007, the Company was not exposed to any currency risk.

ii) Sensitivity analysis

Save as disclosed above, as at 31 March 2008 and 2007, there is no significant change to the Group's profit after taxation (and retained profits) and other components of consolidated equity in response to reasonably possible changes in foreign exchange rates.

3. 金融工具(續)

A) 外匯風險(續)

i) 所面臨之外匯風險

下表詳列本集團於結算日就以進行交易之實體之功能貨幣以外之貨幣計值之資產或負債所產生外匯風險。

本集團

於二零零八年及二零零七年三月三十一日，本公司並無面臨任何外幣風險。

ii) 敏感度分析

除上文所披露者外，於二零零八及二零零七年三月三十一日，本集團之除稅後溢利(及保留溢利)及綜合權益之其他部分並無因外幣匯率可能出現之合理變動而出現重大變動。

3. FINANCIAL INSTRUMENTS (CONTINUED)**B) Credit risk**

The Group's credit risk is primarily attributable to trade and other receivables and deposits. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due within 60 – 90 days from the date of billing. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers. Further quantitative disclosures in respect of the Group's exposure to credit risk from trade receivables are set out in note 19 to the financial statements.

C) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

3. 金融工具(續)**B) 信貸風險**

本集團之信貸風險主要來自貿易及其他應收賬款及按金。管理層已制訂信貸政策，持續監管有關信貸風險。

就應收賬款而言，本集團對所有要求提供超過若干數額信貸之客戶進行信貸評估。該等應收款項於發票日起計60至90日內到期。本集團將檢討個別借方之逾期結餘，並於授出任何其他信貸前要求借方償還所有逾期欠款。一般而言，本集團並不要求客戶提供抵押。其他有關本集團應收賬款所承受之信貸風險之量化信息載於財務報表附註19。

C) 流動資金風險

本集團個別營運公司自行負責現金管理，包括現金盈餘之短期投資及籌集貸款以應付預期現金需求，惟於貸款超出若干預定授權水平時，則須先取得本公司董事會批准。本集團一直定期監察即期及預期流動資金需求，以及是否符合借貸規定，以確保預留充足現金及能隨時變賣之有價證券，取得主要金融機構承諾提供充裕資金，應付短期及長期流動資金需求。

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3. FINANCIAL INSTRUMENTS (CONTINUED)

C) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

The Group

		2008 二零零八年				2007 二零零七年			
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years	Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years
		賬面值 HK\$'000 千港元	現金流總額 HK\$'000 千港元	或應要求 HK\$'000 千港元	但少於兩年 HK\$'000 千港元	賬面值 HK\$'000 千港元	現金流總額 HK\$'000 千港元	或應要求 HK\$'000 千港元	但少於兩年 HK\$'000 千港元
Trade payables	應付賬款	4,316	4,316	4,316	-	16,974	16,974	16,974	-
Other payables and accruals	其他應付款項及應計費用	22,774	22,774	22,774	-	1,667	1,667	1,667	-
Convertible notes*	可換股票據*	51,721	51,721	-	51,721	15,747	15,747	1,888	13,850
Secured bank loans	有抵押銀行貸款	-	-	-	-	25,293	25,293	25,293	-
Embedded financial derivatives	內含衍生金融工具	-	-	-	-	445	445	445	-
Amount due to a director	應付一名董事款項	-	-	-	-	11,260	11,260	11,260	-
Amount due to a related company	應付一家關連公司款項	1,509	1,509	1,509	-	-	-	-	-
		80,320	80,320	28,599	51,721	71,386	71,386	57,527	13,859

* No discounted cash flow is calculated as the effect of discounting is immaterial

3. 金融工具(續)

C) 流動資金風險(續)

下表為截至結算日本集團及本公司非衍生金融負債及衍生金融負債(按合約非貼現現金流量計算,包括按合約利率或浮動利率(則按結算日當日之利率)計算之應付利息)之剩餘合約到期,以及本集團及本公司可被要求還款之最早日期之詳情:

本集團

* 由於貼現之影響並不重大,故並無計算貼現現金流量。

3. FINANCIAL INSTRUMENTS (CONTINUED)**C) Liquidity risk (Continued)**

The Company

	2008 二零零八年				2007 二零零七年			
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years
	賬面值	現金流總額	或應要求	但少於兩年	賬面值	現金流總額	或應要求	但少於兩年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Convertible notes*	51,721	51,721	-	51,721	15,747	15,747	1,888	13,059
Embedded financial derivatives	-	-	-	-	445	445	445	-
Other payables and accruals	62	62	62	-	373	373	373	-
Amounts due to subsidiaries	19	19	19	-	-	-	-	-
	51,802	51,802	81	51,721	16,565	16,565	2,706	13,859

* No discounted cash flow is calculated as the effect of discounting is immaterial

* 由於貼現之影響並不重大，故並無計算貼現現金流量。

D) Interest rate risk

The Group is exposed to the cash flow interest rate risk and fair value interest rate risk due to its short-term bank borrowings and convertible note, respectively, carrying interest at variable and fixed rates which are disclosed in note 28 and note 29 to the financial statements respectively. The Group enters into debt obligations to support general corporate funding requirement purposes including capital expenditures and working capital needs. The Group currently does not have an interest rate hedging policy and does not use any derivative instruments to reduce its economic exposure to the changes in interest rates. The Group's interest rate profile as monitored by management is set out below:

D) 利率風險

本集團分別因其於財務報表附註28及附註29所披露分別按浮動及固定利率計息之短期銀行借貸及可換股票據而受到現金流量利率之風險及公平值利率之風險。本集團訂立償還債務安排以支援一般企業資金需求用途，包括資本開支及營運資金需要。本集團現時並無設有利率對沖政策，且並無使用任何衍生工具以降低其因利率變動而產生之經濟風險。本集團之利率結構(由管理層負責監察)載列如下：

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3. FINANCIAL INSTRUMENTS (CONTINUED)

D) Interest rate risk (Continued)

i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's net borrowings (as defined above) at the balance sheet date.

	The Group 本集團				The Company 本公司			
	2008 二零零八年		2007 二零零七年		2008 二零零八年		2007 二零零七年	
	Effective interest rate %	Effective interest rate %	Effective interest rate %	Effective interest rate %	Effective interest rate %	Effective interest rate %	Effective interest rate %	Effective interest rate %
	HK\$'000	rate %	HK\$'000	rate %	HK\$'000	rate %	HK\$'000	rate %
	千港元	實際利率 (厘)	千港元	實際利率 (厘)	千港元	實際利率 (厘)	千港元	實際利率 (厘)
Net fixed rate borrowings:	固定利率借貸淨額：							
Convertible notes	可換股票據							
	63,875	5	16,192	3.76	63,875	5	16,192	3.76
Variable rate borrowings:	浮動利率借貸：							
Secured bank loans	有抵押銀行貸款							
	-	-	25,293	5.85-6.12	-	-	-	-
Total net borrowings	總借貸淨額							
	63,875		41,485		63,875		16,192	
Net fixed rate borrowings as a percentage of total net borrowings	固定利率借貸淨額佔 總借貸淨額 之百分比							
	100%		39%		100%		100%	

ii) Sensitivity analysis

At 31 March 2007, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after taxation and accumulated losses by approximately HK\$170,000.

3. 金融工具(續)

D) 利率風險(續)

i) 利率結構

下表詳列本集團及本公司於結算日之淨借貸(定義見上文)之利率結構。

ii) 敏感度分析

於二零零七年三月三十一日，預期利率增加／減少100點子，而其他可變動因素全部維持不變，將令本集團除稅後虧損及累計虧損減少／增加約170,000港元。

3. FINANCIAL INSTRUMENTS (CONTINUED)**D) Interest rate risk (Continued)***ii) Sensitivity analysis (Continued)*

The sensitivity analysis above has been determined assuming that the change in interest rates had accrued at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

E) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2008 and 2007 due to the short maturity of these instruments.

F) Equity price risk

The exposure in equity price changes arising from equity investments, which is insignificant classified as trading securities (see note 20).

The Group's listed investments are listed on the Stock Exchange of Hong Kong and are included in the Hang Seng Index. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs.

As at 31 March 2008 and 2007, the Company was not exposed to any equity price risk.

3. 金融工具(續)**D) 利率風險(續)***ii) 敏感度分析(續)*

上文之敏感度分析已假設利率於結算日有所變動而釐定，並已計及於截至該日存在之衍生金融工具及非衍生金融工具所承受之利率風險。增加或減少100點子乃管理層估計在直至下一個年度結算日止期間利率之合理可能變動。

E) 公平值

由於所有金融工具均於短時間內到期，彼等按與二零零八年及二零零七年三月三十一日之公平值並無重大差異之數額入賬。

F) 股價風險

就股票投資所產生之股價變動而承擔之風險並不重大(見附註20)。

本集團之上市投資均於香港聯合交易所上市並計算入恆生指數內。買入或沽出買賣用途證券之決定乃基於對個別證券相對指數及其他行業指標之表現進行之每日監察以及本集團流動資金需求考慮。

於二零零八年及二零零七年三月三十一日，本公司毋須承受任何股價風險。

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3. FINANCIAL INSTRUMENTS (CONTINUED)

G) Estimation of fair values of securities

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments set out above.

i) Securities

Fair value is based on quoted market price at the balance sheet date without any deduction for transaction costs.

ii) Derivatives

The estimate of the fair value of the conversion option embedded in the convertible notes with cash settlement alternatives is measured using a binomial lattice model.

3. 金融工具(續)

G) 證券公平值之估計

以下概述估計上文所載本集團之金融工具之公平值所用之主要方法及假設。

i) 證券

公平值根據結算日所報市價(扣除交易成本前)而釐定。

ii) 衍生工具

以現金結算之可換股票據內的換股權估計公平值按二項式點陣模式釐定。

2007
二零零七年

Fair value of conversion options and assumptions	換股權及 假設之公平值	
Fair value at measurement date	於計算日之公平值	HK\$445,000港元
Share price	股價	HK\$0.16港元
Exercise price	行使價	HK\$0.46港元
Expected volatility	預期波幅	74.42
Option life	購股權年期	1.19
Expected dividends	預期股息	-
Risk-free interest rate	無風險利息	3.76%

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

遠期外匯合約是按已列示市場價格或以遠期合約價貼現後減去近期合約價而定。掉期利率協議之公平值乃本集團於結算日終止該協議可收到或付出之估算金額，作估算時已考慮當前利率及交易對方當時之信用可靠程度。

3. FINANCIAL INSTRUMENTS (CONTINUED)**G) Estimation of fair values of securities (Continued)***ii) Derivatives (Continued)*

Where discounted cash flow techniques are used, estimated futurer cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

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

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

3. 金融工具(續)**G) 證券公平值之估計(續)***ii) 衍生工具(續)*

當採取現金流量貼現法時，估計的未來現金流量為管理層的最佳估計，並且該貼現率為結算日之類似工具有著類似到期日之市場有關利率。當採取其他計價模式時，所需資料是以結算日之市場有關數據作為依據。

4. 重大會計估計及判斷

本集團持續根據過往經驗及其他因素(包括認為會合理發生之未來事項預期)評估估計及判斷。

本集團作出有關未來之估計及假設，惟定義上，會計估計結果極少與相關實際結果相同。

估算及相關假設會不斷作出審閱。倘所作修訂僅對作出修訂之期間有效，則對會計估算作出之修訂將於該期間內確認，或倘修訂對現時及未來期間均會造成影響，則會於作出修訂及往後期間確認。有可能導致下一財政年度資產及負債賬面值重大調整之重大風險之估計及假設如下：

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

A) Useful lives of property, plant and equipment

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

B) Impairment of jointly controlled entity

The Group assesses annually whether the investment in the jointly controlled entity has suffered any impairment in accordance with the accounting policy stated in note 2(D). The recoverable amount of the investment in the jointly controlled entity is determined using discounted cash flows calculations.

C) Impairment on trade and other receivables

The Group makes impairment loss on doubtful debts based on an assessment of the recoverability of trade receivables and other receivables. Impairment are applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the period in which such estimate has been changed.

4. 重大會計估計及判斷(續)

A) 物業、機器及設備之可使用年限

本集團管理層釐定物業、機器及設備之估計可使用年限及相關折舊費用。該估計乃根據性質及功能類同之物業、機器及設備實際可使用年限之過往經驗作出，並可能因技術創新及競爭對手有關激烈工業行動之行動而出現大變動。當可使用年限低於先前估計時，管理層將增加折舊費用，或會撇銷或撇減技術過時或已棄用或出售之非策略資產。

B) 共同控制實體減值

根據附註2(D)所述之會計政策，本集團每年均會評估於共同控制實體之投資有否減值。於共同控制實體之投資之可收回金額乃以貼現現金流計算法釐定。

C) 應收賬款及其他應收款項減值

本集團根據所評估貿易及其他應收款項之可收回程度而作出呆賬減值虧損。當出現任何事件或情況變化顯示未必可收回結餘時，將就應收賬款及其他應收款項計算減值。鑒別呆賬涉及判斷及估計。若預期有別於原先估計，則相關差額將影響已計入有關估計期間之應收款項及呆賬開支賬面值。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

D) Estimated net realisable value of inventories

The Group determines the write-down for slow-moving or obsolete inventories based on an assessment of the net realisable value of the inventories. Write-down are applied to the inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and inventory expenses in the period in which such estimate has been changed.

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

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

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

For management purposes, the Group is currently organised into the following business segments, namely, telecommunication services ("Telecommunication"), mobile phones ("Mobile phones") product segment and digital versatile disc players ("DVD players") product segment. During the last year, the Group also engaged in Home Theatre Systems ("HTS") product segment. These divisions are the basis on which the Group reports its primary segment information.

4. 重大會計估計及判斷(續)

D) 存貨之估計可變現淨值

本集團根據對存貨可變現淨值之評估結果釐訂滯銷或陳舊存貨之撇減金額。倘事件或情況變化顯示存貨之可變現淨值低於成本值，則須對存貨作出撇減。釐定可變現淨值需要運用判斷及估計。倘預期與原先估計有別，則該差額將對該估計出現變化之期間之存貨賬面值及存貨開支構成影響。

5. 業務及地區分類

分類資料按兩種分類形式呈列：(a)以主要分類基準申報，按業務分類；及(b)以次要分類基準申報，按地域分類。

本集團經營業務乃根據其營運性質以及提供之產品及服務劃分及分開管理。本集團每項業務分類均代表一個策略業務單位，各單位提供之產品及服務具有與其他業務分類不同之風險及回報。

就管理而言，本集團現時劃分為下列業務分類—電訊服務(「電訊」)、流動電話(「流動電話」)產品分類及數碼多功能光碟播放機(「DVD播放機」)。而去年本集團亦從事家庭影院系統(「家庭影院」)產品分類。此等業務劃分乃本集團呈報其主要分類資料所按基準。

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截至二零零八年三月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

A) Business segments

The following tables present turnover, loss and certain assets and liabilities information for the Group's business segments.

TURNOVER AND RESULTS
Year ended 31 March 2008

		Mobile phones 流動電話	DVD players DVD播放機	Telecom- munication 電訊	HTS 家庭影院	Others 其他	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
TURNOVER	營業額						
External	外部	74,650	16,123	7,129	-	877	98,779
SEGMENT RESULTS	分類業績	1,261	(1,539)	(2,304)	-	70	(2,512)
Unallocated corporate income	未分配企業收入						2,583
Interest income	利息收入						565
Unallocated corporate expenses	未分配企業開支						(15,571)
Impairment loss on property, plant and equipment	物業、機器及設備減值虧損						(9,130)
Loss from operation	經營虧損						(24,065)
Finance costs	融資成本						(2,313)
Share of loss of a jointly controlled entity	攤佔一家共同控制實體虧損						(1,337)
Loss before taxation	除稅前虧損						(27,715)
Taxation	稅項						527
Loss for the year	本年度虧損						(27,188)

5. 業務及地區分類(續)

A) 業務分類

下表呈列按本集團業務分類劃分之營業額、虧損及若干資產及負債資料。

營業額及業績
截至二零零八年三月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

A) Business segments (Continued)

CONSOLIDATED ASSETS AND LIABILITIES

At 31 March 2008

		Mobile phones 流動電話 HK\$'000 千港元	DVD players DVD播放機 HK\$'000 千港元	Telecom- munication 電訊 HK\$'000 千港元	HTS 家庭影院 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產						
Segment assets	分類資產	25,663	5,542	9,816	-	302	41,323
Interests in a jointly controlled entity	於一家共同控制 實體之權益						21,326
Unallocated corporate assets	未分配企業資產						53,719
Consolidated total assets	綜合資產總額						<u>116,368</u>
LIABILITIES	負債						
Segment liabilities	分類負債	18,086	3,906	3,541	-	213	25,746
Unallocated corporate liabilities	未分配企業負債						52,998
Consolidated total liabilities	綜合負債總額						<u>78,744</u>
OTHER INFORMATION	其他資料						
Segment capital expenditure	分類資本開支	208	45	2,985	-	3	3,241
Unallocated capital expenditure	未分配資本開支						2,589
Consolidated capital expenditure	綜合資本開支						<u>5,830</u>
Segment depreciation	分類折舊	2,192	474	392	-	26	3,084
Unallocated depreciation	未分配折舊						308
Depreciation for the year	本年度折舊						<u>3,392</u>
Segment impairment	分類減值	7,436	1,606	-	-	88	<u>9,130</u>

5. 業務及地區分類(續)

A) 業務分類(續)

綜合資產及負債

於二零零八年三月三十一日

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For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

A) Business segments (Continued)

TURNOVER AND RESULTS
Year ended 31 March 2007

		Mobile phones 流動電話 HK\$'000 千港元	DVD players DVD播放機 HK\$'000 千港元	Telecom- munication 電訊 HK\$'000 千港元	HTS 家庭影院 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
TURNOVER	營業額						
External	外部	12,841	47,564	-	2,577	90	63,072
SEGMENT RESULTS	分類業績	1,303	4,824	-	261	9	6,397
Unallocated corporate income	未分配企業收入						62
Interest income	利息收入						65
Unallocated corporate expenses	未分配企業開支						(32,845)
Loss from operation	經營虧損						(26,321)
Finance costs	融資成本						(3,129)
Share of profit of a jointly controlled entity	攤佔一家共同控制實體溢利						940
Loss before taxation	除稅前虧損						(28,510)
Taxation	稅項						-
Loss for the year	本年度虧損						(28,510)

5. 業務及地區分類(續)

A) 業務分類(續)

營業額及業績
截至二零零七年三月三十一日止
年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

A) Business segments (Continued)

CONSOLIDATED ASSETS AND LIABILITIES

At 31 March 2007

		Mobile phones 流動電話 HK\$'000 千港元	DVD players DVD播放機 HK\$'000 千港元	Telecom- munication 電訊 HK\$'000 千港元	HTS 家庭影院 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產						
Segment assets	分類資產	4,614	10,193	-	-	29	14,836
Interests in a jointly controlled entity	於一家共同 控制實體之權益						20,604
Unallocated corporate assets	未分配企業資產						48,431
Consolidated total assets	綜合資產總額						<u>83,871</u>
LIABILITIES	負債						
Segment liabilities	分類負債	8,364	3,087	-	-	265	11,716
Unallocated corporate liabilities	未分配企業負債						59,670
Consolidated total liabilities	綜合負債總額						<u>71,386</u>
OTHER INFORMATION	其他資料						
Segment capital expenditure	分類資本開支	300	1,001	-	60	97	1,458
Unallocated capital expenditure	未分配資本開支						17
Consolidated capital expenditure	綜合資本開支						<u>1,475</u>
Segment depreciation	分類折舊	438	1,460	-	88	69	2,055
Unallocated depreciation	未分配折舊						96
Depreciation for the year	本年度折舊						<u>2,151</u>

5. 業務及地區分類(續)

A) 業務分類(續)

綜合資產及負債

於二零零七年三月三十一日

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For the Year ended 31 March 2008
截至二零零八年三月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

B) Geographical segments

The following tables present turnover and certain assets information for the Group's geographical segments.

Year ended 31 March 2008

		The PRC (including Hong Kong) 中國 (包括香港)	Europe 歐洲	Singapore 新加坡	The United States of America ("U.S.A.") 美利堅 合眾國 (「美國」)	Others 其他	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
TURNOVER	營業額						
External	外部	92,237	5,028	26	1,105	383	98,779
OTHER SEGMENT INFORMATION	其他分類資料						
Segment assets	分類資產	115,097	-	1,271	-	-	116,368
Capital expenditure	資本開支	5,054	-	776	-	-	5,830

Year ended 31 March 2007

		The PRC (including Hong Kong) 中國 (包括香港)	Europe 歐洲	Singapore 新加坡	U.S.A 美國	Others 其他	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
TURNOVER	營業額						
External	外部	18,383	18,896	-	11,357	14,436	63,072
OTHER SEGMENT INFORMATION	其他分類資料						
Segment assets	分類資產	83,871	-	-	-	-	83,871
Capital expenditure	資本開支	1,475	-	-	-	-	1,475

5. 業務及地區分類(續)

B) 地域分類

下表呈列本集團地域分類劃分之營業額及若干資產資料。

截至二零零八年三月三十一日止年度

6. TURNOVER, OTHER REVENUE AND OTHER NET INCOME

The principal activities of the Group are the manufacture and sale of electronic communication and consumer products and provision of telecommunication services.

Turnover represents the sale value of good supplied to customers and revenue from the provision of telecommunication services.

6. 營業額、其他收益及其他淨收入

本集團之主要業務為製造及銷售電子通訊及消費產品以及提供電訊服務。

營業額指供應予客戶之貨品銷售價值及提供電訊服務之收入。

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Turnover	營業額		
Sales of goods	銷售產品	91,650	63,072
Rendering of services	提供服務	7,129	-
		98,779	63,072
Other revenue	其他收益		
Interest income	利息收入	565	65
Dividend income	股息收入	-	5
Bad debt recovered	已收回壞賬	2,683	-
Others	其他	95	18
Other net income	其他淨收入		
Unrealised gain on financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之金融資產所產生之未變現收益	-	39
Amount due to a former director waived	豁免應付前董事款項	3,172	-
		6,515	127

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7. LOSS BEFORE TAXATION

7. 除稅前虧損

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Loss before taxation is arrived at after charging/(crediting):	除稅前虧損已經扣除/(計入) :		
Auditor's remuneration	核數師酬金	602	248
Bad debts written off	壞賬撇銷	574	2,497
Cost of inventories sold	出售存貨之成本	92,062	56,675
Cost of services provided	提供服務之成本	6,049	-
Depreciation	折舊	3,392	2,151
Exchange loss	匯兌虧損	31	231
Fair value changes on embedded financial derivatives	內含衍生金融工具產生之公平值變動	-	(2,991)
Impairment on property, plant and equipment	物業、機器及設備之減值	9,130	-
Loss on disposal of interest in a jointly controlled entity	出售於一家共同控制實體之權益產生之虧損	-	499
Loss on disposal of property, plant and equipment	出售物業、機器及設備產生之虧損	6	6,668
Loss on redemption of convertible notes	贖回可換股票據之虧損	2,208	-
Operating lease rental in respect of rented premises	租用物業之經營租約租金	1,870	920
Staff costs (including directors' remuneration)	員工成本 (包括董事酬金)		
- Salaries and allowances	- 薪金及津貼	6,909	3,354
- Equity-settled share option expense	- 股本結算購股權支出	84	-
- Retirement scheme contributions	- 退休計劃供款	42	12
		7,035	3,366

8. FINANCE COSTS

8. 融資成本

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Bank loan interest	銀行貸款利息	838	796
Interest on convertible notes	可換股票據利息	1,475	2,333
		2,313	3,129

9. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

A) Directors' emoluments

The emoluments paid or payable to the Company's directors are as follows:

9. 董事及最高薪人員

A) 董事酬金

已付及應付本公司董事之酬金如下：

		Year ended 31st March, 2008 截至二零零八年三月三十一日止年度			
		Directors' fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Share based payment 以股份為基礎之付款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Executive directors</i>		<i>執行董事</i>			
Mr. Yong Wai Hong	楊偉康先生	-	310	-	310
Mr. Lam Kwok Ho (Note 1)	林國浩先生 (附註1)	70	-	-	70
Mr. Lee Pin Yeow (Note 2)	李斌耀先生 (附註2)	-	-	-	-
Mr. Chen Jijin (Note 3)	陳集進先生 (附註3)	87	-	-	87
Ms. Huang Menghuai (Note 3)	黃夢懷女士 (附註3)	-	-	-	-
Mr. Zhong Min (Note 3)	鍾敏先生 (附註3)	-	-	-	-
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>			
Mr. Chan Cheong Yee (Note 4)	陳昌義先生 (附註4)	70	-	6	76
Ms. Tsang Fung Chu (Note 4)	曾鳳珠女士 (附註4)	70	-	6	76
Mr. Wong Chi Keung Patrick (Note 4)	黃志強先生 (附註4)	40	-	6	46
Mr. Chen Wei Rong (Note 3)	陳偉榮先生 (附註3)	25	-	-	25
Mr. Lam Hon Kueng (Note 3)	林漢權先生 (附註3)	25	-	-	25
Mr. Law Chi Yuen (Note 3)	羅志遠先生 (附註3)	25	-	-	25
		412	310	18	740

Note:

- Redesignated on 30 November 2007
- Appointed on 28 August 2007 and resigned on 22 February 2008.
- Resigned on 28 August 2007.
- Appointed on 28 August 2007.

附註：

- 於二零零七年十一月三十日調任。
- 於二零零七年八月二十八日獲委任，並於二零零八年二月二十二日辭任。
- 於二零零七年八月二十八日辭任。
- 於二零零七年八月二十八日獲委任。

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9. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

A) Directors' emoluments (Continued)

		Year ended 31 March 2007 截至二零零七年三月三十一日止年度			
		Directors' fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Share based payment 以股份為基礎之款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Executive directors</i>					
	<i>執行董事</i>				
Mr. Chen Jijin	陳集進先生	348	-	-	348
Ms. Huang Menghuai	黃夢懷女士	8	-	-	8
Mr. Zou Hai Yan	鄒海燕先生	4	-	-	4
Mr. Zhong Min	鍾敏先生	-	-	-	-
<i>Independent non-executive directors</i>					
	<i>獨立非執行董事</i>				
Mr. Chen Wei Rong	陳偉榮先生	60	-	-	60
Mr. Lam Hon Kueng	林漢權先生	60	-	-	60
Mr. Law Chi Yuen	羅志遠先生	55	-	-	55
		535	-	-	535

During the year ended 31 March 2008 and 2007, no emolument was paid to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors has waived any emoluments in the year ended 31 March 2008 (2007: one of the director waived his emoluments during the years and another director waived her emoluments for the rest of the year after receiving her emoluments for one month).

9. 董事及最高薪人員(續)

A) 董事酬金(續)

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

		Directors' fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Share based payment 以股份為基礎之款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Executive directors</i>					
	<i>執行董事</i>				
Mr. Chen Jijin	陳集進先生	348	-	-	348
Ms. Huang Menghuai	黃夢懷女士	8	-	-	8
Mr. Zou Hai Yan	鄒海燕先生	4	-	-	4
Mr. Zhong Min	鍾敏先生	-	-	-	-
<i>Independent non-executive directors</i>					
	<i>獨立非執行董事</i>				
Mr. Chen Wei Rong	陳偉榮先生	60	-	-	60
Mr. Lam Hon Kueng	林漢權先生	60	-	-	60
Mr. Law Chi Yuen	羅志遠先生	55	-	-	55
		535	-	-	535

於截至二零零八及二零零七年三月三十一日止年度並無向任何董事支付薪酬，作為彼等加盟本集團或加盟本集團時之獎勵或作為離職之補償。

截至二零零八年三月三十一日止年度概無董事放棄任何薪酬(二零零七年：一名董事放棄年內酬金及另一名董事在收取一個月酬金後放棄該年度酬金)。

9. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

B) Individuals with highest emoluments

Of the five individuals in the Group with the highest emoluments, one (2007: four) is a director of the Company whose emoluments are disclosed above. The emoluments of the remaining four individuals (2007: one), whose emoluments are individually below HK\$1,000,000, are as follows:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Salaries and other benefits	薪金及其他福利	1,037	868
Retirement scheme contributions	退休計劃供款	16	12
		1,053	880

9. 董事及僱員酬金(續)

B) 最高薪人員

本集團五名最高薪酬人士當中，一名(二零零七年：四名)為本公司董事，彼等之薪金已載於上文。餘下四名(二零零七年：一名)其薪酬個別低於1,000,000港元之人士如下：

10. TAXATION

10. 稅項

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
The taxation credit comprises:	稅項抵免包括：		
Current tax	即期稅項		
Hong Kong	香港	-	-
Overprovision in prior years:	往年過度撥備		
Hong Kong	香港	-	-
PRC Enterprise Income Tax	中國企業所得稅	527	-
		527	-

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10. TAXATION (CONTINUED)

No provision for Hong Kong profits tax has been made for the years ended 31 March 2008 and 2007 as the Group's income neither arising in, nor is derived from Hong Kong.

Taxes on profits assessable other than in Hong Kong are calculated at the rates of tax prevailing in the places in which the Group operates based on existing legislation, practices and interpretations thereof.

Guangdong Photar Digital & Electronic Company Limited ("Guangdong Photar"), the subsidiary which generated the major turnover of the Group, was subject to the PRC enterprise income tax. As a wholly foreign-owned enterprise pursuant to the Income Tax Law of the PRC for Foreign Investment Enterprise and with the confirmation received from the 河源市國家稅務直屬稅務分局 on 24 August 2006, Guangdong Photar was exempted from the PRC enterprise income tax for the two years starting from its first profit making year after offsetting the accumulated losses, being the year ended 31 March 2007, and is entitled to a 50% relief for the subsequent three years.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate to 25% for certain subsidiaries from 1 January 2008.

10. 稅項(續)

由於截至二零零八年及二零零七年三月三十一日止年度本集團之收入均並非產生自香港或從香港取得，故並無就香港利得稅作出撥備。

除香港以外之應課稅溢利之稅項已根據本集團經營地點之現行法例、慣例及詮釋，以適用稅率計算。

產生本集團大部分營業額之附屬公司廣東豐達數碼電子有限公司(「廣東豐達」)須繳納中國企業所得稅。作為一家外商獨資企業，根據中國外商投資企業所得稅法及按河源市國家稅務直屬稅務分局於二零零六年八月二十四日發出的確認書，廣東豐達由其首個獲利年度(即截至二零零七年三月三十一日止年度)(與累計虧損相抵後)起計兩年獲豁免繳納中國企業所得稅，並於其後三年獲減免中國企業所得稅之50%。

於二零零七年三月十六日，中國根據中國主席令第63號頒佈中國企業所得稅法(「新法」)。於二零零七年十二月六日，中國國務院發出新法之實施細則。新法及實施細則將若干附屬公司自二零零八年一月一日起之稅率變更為25%。

10. TAXATION (CONTINUED)

Reconciliation between taxation and accounting loss at applicable tax rates:

10. 稅項(續)

按適用稅率計算之稅項與會計虧損之對賬：

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Loss before taxation	除稅前虧損	(27,715)	(28,510)
Tax at the statutory tax rate	以法定稅率計算	(4,850)	(4,989)
Income not subject to taxation	不計稅收益	(537)	(174)
Expenses not deductible for tax purpose	不可扣減作稅務用途之開支	3,087	5,204
Effect of tax exemption of the PRC subsidiary	中國附屬公司獲豁免稅項之影響	-	(79)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司之不同稅率之影響	(1,887)	21
Effect of share of taxation of jointly controlled entity	分佔共同控制實體稅項之影響	441	-
Tax effect of unrecognised temporary difference	未確認暫時差額之稅務影響	(432)	17
Tax effect of unrecognised tax loss	未確認稅項虧損之稅務影響	4,178	-
Over-provision for taxation in prior year	往年稅項超額撥備	(527)	-
Taxation	稅項	(527)	-

11. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company for the year dealt with in the financial statements of the Company is a net loss of HK\$11,461,000 (2007: HK\$21,391,000).

11. 本公司股本持有人應佔虧損

在本公司之財務報表中處理的本公司股本持有人應佔本年度虧損為虧損淨額11,461,000港元(二零零七年：21,391,000港元)。

12. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 March 2008 (2007: Nil).

12. 股息

董事並不建議派付截至二零零八年三月三十一日止年度之任何股息(二零零七年：無)。

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13. LOSS PER SHARE

i) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to equity holders of the Company of approximately HK\$27,067,000 (2007: approximately HK\$28,510,000) and the weighted average number of 1,845,982,667 shares (2007: 631,270,575 shares) in issue during the year.

ii) Diluted loss per share

Diluted loss per share for the year ended 31 March 2007 and 2008 are not presented as the effect of share option and convertible notes are anti-dilutive and are not included in the calculation of diluted loss per share for the years ended 31 March 2007 and 2008.

13. 每股虧損

i) 每股基本虧損

每股基本虧損乃按本公司股本持有人應佔虧損約27,067,000港元(二零零七年: 約28,510,000港元)及年內已發行股份的加權平均數1,845,982,667股(二零零七年: 631,270,575股)計算。

ii) 每股攤薄虧損

由於購股權及可換股票據具反攤薄影響,且並無計入截至二零零七年及二零零八年三月三十一日止年度之每股攤薄虧損中,故並無呈列截至二零零七年及二零零八年三月三十一日止年度之每股攤薄虧損。

14. PROPERTY, PLANT AND EQUIPMENT

The Group

14. 物業、機器及設備

本集團

		Leasehold improvement	Mould	Plant and machinery	Computers	Furniture fixtures and equipment	Motor vehicles	Total
		租賃物業裝修	模具	機器及設備	電腦	傢俬、裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本							
At 1 April 2006	於二零零六年四月一日	332	9,713	11,563	235	665	260	22,768
Additions	添置	130	216	910	-	219	-	1,475
Disposal	出售	-	-	(8,455)	(181)	(179)	-	(8,815)
Exchange difference	匯兌差額	-	409	130	-	18	11	568
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日	462	10,338	4,148	54	723	271	15,996
Additions	添置	1,452	63	130	396	3,789	-	5,830
Disposal	出售	-	-	-	-	(66)	-	(66)
Exchange difference	匯兌差額	12	1,004	404	-	61	27	1,508
At 31 March 2008	於二零零八年三月三十一日	1,926	11,405	4,682	450	4,507	298	23,268

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14. 物業、機器及設備(續)

		Leasehold improvement 租賃 物業裝修 HK\$'000 千港元	Mould 模具 HK\$'000 千港元	Plant and machinery 機器及 設備 HK\$'000 千港元	Computers 電腦 HK\$'000 千港元	Furniture fixtures and equipment 傢俬、 裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accumulated depreciation and impairment	累計折舊及減值							
At 1 April 2006	於二零零六年四月一日	55	468	1,873	175	201	4	2,776
Charge for the year	本年度折舊	72	1,553	340	13	124	49	2,151
Written back on disposal	出售時撥回	-	-	(1,826)	(163)	(158)	-	(2,147)
Exchange difference	匯兌差額	-	20	2	-	1	-	23
At 31 March 2007	於二零零七年三月三十一日及							
And 1 April 2007	二零零七年四月一日	127	2,041	389	25	168	53	2,803
Charge for the year	本年度折舊	284	2,052	422	42	538	54	3,392
Written back on disposal	出售時撥回	-	-	-	-	(60)	-	(60)
Impairment loss	減值虧損	80	6,182	2,428	35	308	97	9,130
Exchange difference	匯兌差額	1	197	38	-	16	5	257
At 31 March 2008	於二零零八年三月三十一日	492	10,472	3,277	102	970	209	15,522
Net book value	賬面淨值							
At 31 March 2008	於二零零八年三月三十一日	1,434	933	1,405	348	3,537	89	7,746
At 31 March 2007	於二零零七年三月三十一日	335	8,297	3,759	29	555	218	13,193

As at the balance sheet date, the Group employed an independent valuer, Greater China Appraisal Limited to carry out a revaluation on property, plant and equipment for Guangdong Photar, which maintain majority of property, plant and equipment within the Group. Based on the revaluation, an impairment loss of approximately HK\$9,130,000 was made (2007: Nil).

於結算日，本集團委聘獨立估值師漢華評值有限公司對廣東豐達之物業、機器及設備進行重估。廣東豐達持有本集團大部分物業、機器及設備。根據是項重估，已作出約9,130,000港元之減值虧損(二零零七年：無)。

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15. INTERESTS IN SUBSIDIARIES

15. 附屬公司權益

		The Company 本公司	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Unlisted shares, at cost	非上市股份，按成本值	1	2,066
Amounts due from subsidiaries	應收附屬公司款項	108,901	34,205
		108,902	36,271

The amounts due from subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment.

During the year, the Group disposed of four subsidiaries, which are inactive during the year 2007 and 2008, to a third party for a consideration of approximately HK\$232,000. The net assets of the subsidiaries disposed of are disclosed in note 33.

應收附屬公司款項為無抵押、免息及並無固定還款期。

年內，本集團以代價約232,000港元出售四間附屬公司（於二零零七年及二零零八年度均暫無營業）予一名第三方。所出售附屬公司之淨資產在附註33披露。

15. INTERESTS IN SUBSIDIARIES (CONTINUED)

Particulars regarding the subsidiaries at 31 March 2008 are as follows:

15. 附屬公司權益 (續)

於二零零八年三月三十一日，附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Type of legal entity 法律實體類別	Issued and fully paid share capital 已發行及繳足股本	Attributable equity interest held by the Company 本公司應佔之股本權益		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Emcom (HK) Pte Limited 帝國通訊(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$10 10港元	100	-	Investment holding 投資控股
EmCall Pte Limited 帝易通有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$10 10港元	100	-	Provision of telecommunication services 提供電訊服務
Sparkle Success Investment Limited 杰成投資有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$1 1港元	100	-	Investment holding 投資控股
Emcom International (China) Investment Limited 帝通國際(中國)投資有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$10 10港元	100	-	Investment holding 投資控股
Emcom International Investment Limited	BVI 英屬處女群島	Limited liability Company 有限責任公司	US\$1 1美元	100	-	Not yet commenced business 尚未開展業務
Faith Pro Trading Limited 信實貿易有限公司	BVI 英屬處女群島	Limited liability Company 有限責任公司	US\$100 100美元	100	-	Dormant 暫無營業
Photar International Holdings Limited 豐達國際控股有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$1 1港元	100	-	Investment holding 投資控股
Guangdong Photar Digtal & Electronic Company Limited 廣東豐達數碼電子有限公司	The PRC 中國	Wholly-foreign-owned enterprise 外商獨資企業	HK\$60,000,000 60,000,000港元	-	100	Manufacture and sale of electronic communication and consumer products 生產及銷售電子通訊及消費產品
EmCall Singapore Pte Limited	Singapore 新加坡	Limited liability company 有限責任公司	SGD100,000 100,000新加坡元	-	100	Provision of telecommunication services 提供電訊服務
Skymax Investment Development Limited 天明投資發展有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$100 100港元	-	100	Not yet commenced business 尚未開展業務
Smoothway Investment Limited 迎順投資有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$10 10港元	-	70	Investment holding 投資控股
Emcom Management & Consultation (Shanghai) Co. Limited 帝通管理諮詢(上海)有限公司	The PRC 中國	Limited liability company 有限責任公司	USD110,000 110,000美元	-	100	Not yet commenced business 尚未開展業務

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16. INTEREST IN JOINTLY CONTROLLED ENTITY

16. 於一家共同控制實體之權益

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Share of net assets	攤佔資產淨值	21,819	21,024
Exchange difference	匯兌差額	(493)	(420)
Share of net assets	攤佔資產淨值	21,326	20,604

Details of the Group's interest in the jointly controlled entity are as follows:

本集團於該共同控制實體之權益詳情如下：

Name 名稱	Form of business structure 業務結構形式	Place of establishment and operations 成立及經營地點	Registered capital 註冊資本	Group's effective interest 本集團之實際權益 %	Held by the Company 由本公司持有 %	Held by a subsidiary 由一家附屬公司持有 %	Principal activities 主要業務
Photar Sagem Electronics Co. Ltd. 豐達薩基姆電子有限公司	Corporate (Joint venture) 公司 (合營公司)	The PRC 中國	RMB100,000,000 人民幣 100,000,000元	20	-	20	Sales of fax machines 銷售傳真機

Summary financial information on jointly controlled entity – Group's effective interest:

該共同控制實體之財務資料概要 – 本集團之實際權益：

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Non-current assets	非流動資產	4,476	4,652
Current assets	流動資產	25,812	24,033
Current liabilities	流動負債	(8,469)	(7,661)
Net assets	資產淨值	21,819	21,024
Income	收入	48,473	50,881
Expenses	開支	(49,810)	(49,941)
(Loss) profit for the year	年內 (虧損) 溢利	(1,337)	940

17. PAYMENTS FOR INVESTMENT IN A JOINT VENTURE

An amount of approximately HK\$8,653,000 was paid for the capital investment of a potential joint venture. The Group had entered into a joint venture agreement with Shanghai Jian Hua Satellite Communications Limited, for the purpose of conducting distant education and training. Since the joint venture company has not yet been set up as at the balance sheet date, the consideration paid was recorded as non-current assets, which would be expected to be transferred as cost of investment in joint venture in the following year.

17. 支付合營公司投資之款項

本集團就一間可能成立之合營公司支付約8,653,000港元，以作為資本投資。本集團就遙距教育及培訓與上海建華衛星通信有限公司訂立一份合營協議。由於合營公司於結算日尚未成立，已付之代價以非流動資產方式入賬，預期在往後年度撥作合營公司之投資成本。

18. INVENTORIES

Raw materials	原材料
Finished goods	製成品

18. 存貨

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Raw materials	原材料	1,721	5,835
Finished goods	製成品	3,219	1,840
		4,940	7,675

19. TRADE RECEIVABLES

The aging of the Group's trade receivables is analysed as follows:

19. 應收賬款

本集團應收賬款之賬齡分析如下：

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Within 30 days	30日以內	1,487	14,867
31 – 60 days	31 – 60日	1,299	–
61 – 90 days	61 – 90日	1,393	–
Over 90 days	90日以上	–	265
		4,179	15,132

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19. TRADE RECEIVABLES (CONTINUED)

Trade receivables are due within 60-90 days from the date of billing.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

As at 31 March 2008, neither impairment loss nor allowance on bad debt had been made. As at 31 March 2007, a trade receivable of approximately HK\$2,497,000 was individually determined to be impaired. The individually impaired receivable related to the customer that was in financial difficulties and management assessed that none of the receivable is expected to be recovered. Consequently, bad debt written off for HK\$2,497,000 was recognised. The Group does not hold any collateral over this balance.

The ageing analysis of trade receivable that are neither individually nor collectively considered to be impaired are as follows:

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Less than 1 month past due	逾期一個月以內	1,487	14,867
1 to 3 months past due	逾期一至三個月	2,692	-
Over 3 months past due	逾期三個月以上	-	265
		4,179	15,132

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

19. 應收賬款(續)

應收賬款於開單日期起計60至90日內到期。

應收賬款之減值虧損均採用撥備賬款法入賬，除非本集團認定回收金額遙遙無期，在此情況下減值虧損將於應收賬款直接撇銷。

於二零零八年三月三十一日，並無就壞賬作出減值虧損或撥備。於二零零七年三月三十一日，一筆約2,497,000港元之應收賬款已被個別評定發生減值。被個別評定發生減值之應收款與陷入財政困難之客戶有關，而管理層評定概無應收款可予追回。因此，已確認壞賬撇銷2,497,000港元。本集團並無就該等結餘取得任何抵押品。

無論個別或整體上均被認為概無減值之應收賬款之賬齡分析如下：

並無逾期或減值之應收款均涉及無近期拖欠記錄之大量客戶。

19. TRADE RECEIVABLES (CONTINUED)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Held-for-trading investment (at market value):
Listed equity securities in Hong Kong

持作買賣投資（按市值）：
於香港之上市股本證券

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
		-	245

21. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

Name
名稱

Photar Sagem Electronics Co. Ltd. 豐達薩基姆電子有限公司

		The Group 本集團			
		Year ended 31 March 截至三月三十一日止年度		Maximum outstanding 最高未償還金額	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		30	65	30	65

The amount due is unsecured, non-interest-bearing and has no fixed terms of repayment.

19. 應收賬款 (續)

已逾期但無減值之應收款乃與一批於本集團有良好交易記錄之獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動及認為結餘仍可全數收回，管理層相信毋須就該等結餘作出減值撥備。本集團並無就該等結餘取得任何抵押品。

20. 按公平值列賬及在損益賬處理之金融資產**21. 應收一家共同控制實體款項**

The amount due is unsecured, non-interest-bearing and has no fixed terms of repayment.

該金額為無抵押、免息及並無固定還款期。

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22. AMOUNT DUE FROM A RELATED COMPANY

Name 名稱		The Group 本集團		Maximum outstanding 最高未償還金額	
		Year ended 31 March 截至三月三十一日止年度	Year ended 31 March 截至三月三十一日止年度	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Guangdong Photar High Technology Co., Ltd.	廣東豐達高科技有限公司	21,328	6,535	21,328	6,535
Reclassified to other receivables (note b)	重新分類為其他 應收款項(附註b)	(21,328)	-		
		-	6,535		

- a) The amount due is unsecured, non-interest-bearing and has no fixed terms of repayment.
- b) Mr. Chen Jijin, a director of the Company who has interest in the related company, resigned as director of the Company during the year. Accordingly, the amount due is reclassified as other receivable.

22. 應收一家關連公司款項

		The Group 本集團		Maximum outstanding 最高未償還金額	
		Year ended 31 March 截至三月三十一日止年度	Year ended 31 March 截至三月三十一日止年度	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Guangdong Photar High Technology Co., Ltd.	廣東豐達高科技有限公司	21,328	6,535	21,328	6,535
Reclassified to other receivables (note b)	重新分類為其他 應收款項(附註b)	(21,328)	-		
		-	6,535		

- a) 該金額為無抵押、免息及並無固定還款期。
- b) 陳集進先生為本公司董事，彼於關連公司擁有權益，並已於年內辭任本公司董事。因此，該金額重新分類為其他應收款項。

23. CASH AND CASH EQUIVALENTS

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Unpledged deposits with banks	存放於銀行之無抵押存款	33,547	-
Cash at bank and in hand	銀行及手頭現金	6,065	8,624
		39,612	8,624

23. 現金及現金等值物

24. TRADE PAYABLES

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

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Within 30 days	30日以內	954	2,867
31 – 60 days	31 – 60日	8	3,939
61 – 90 days	61 – 90日	308	4,111
Over 90 days	90日以上	3,046	6,057
		4,316	16,974

25. AMOUNT DUE TO A DIRECTOR

The amount due is unsecured, non-interest-bearing and no fixed terms of repayment.

During the year, the director resigned as director of the Company during the year, therefore, the amount due is reclassified as other payable.

25. 應付一名董事款項

應付款項為無抵押、免息及並無固定還款期。

於本年度，該董事於年內辭任本公司董事，應付款項重新分類為其他應付款項。

26. AMOUNT DUE TO A RELATED COMPANY

The amount due is unsecured, non-interest-bearing and has no fixed terms of repayment.

26. 應付一家關連公司款項

		The Group 本集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Name 名稱			
Empire Communication Technology Pte Limited		1,509	–

該金額為無抵押、免息及並無固定還款期。

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27. AMOUNTS DUE TO SUBSIDIARIES

The amounts due are unsecured, non-interest-bearing and no fixed terms of repayment.

27. 應付附屬公司款項

應付款項為無抵押、免息及並無固定還款期。

28. SECURED BANK LOANS

28. 有抵押銀行貸款

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Principal outstanding	未償還之本金額	-	25,293
Less: Repayable within one year	減：須於一年內償還 之款項	-	(25,293)
Repayable after one year but within five years	須於一年後但五年 內償還之款項	-	-

The loans bore interest at rates ranging from 5.85% to 6.12% per annum and were secured by the personal guarantee from one of the directors and the pledging of the investment cost in a jointly controlled entity of the Group and the land use rights of a related company. The secured bank loans were fully repaid during the year 2007.

該等貸款按介乎年利率5.85厘至6.12厘之間的利率計息，並以其中一名董事作出之個人擔保、本集團於一家共同控制實體之投資成本之質押及一家關連公司之土地使用權作為抵押。有抵押銀行貸款已於二零零七年內悉數償還。

29. CONVERTIBLE NOTES

- A) On 11 October 2007, the Company issued a new convertible note with face value of US\$8,000,000 (or approximately HK\$62,400,000) with a conversion price of HK\$0.26 per conversion share. Assuming full conversion of the convertible note at the conversion price, the convertible note will be converted into 240,000,000 shares of the Company. The noteholder will have the right to convert in whole or in part of the principal amount of the convertible note into shares of the Company on any business day prior to the maturity date of 10 October 2009. The interest of the convertible note is 5% per annum, payable annually in arrears on dates falling at the first year and the second year after the date of issue of the convertible note.

The fair value of the liability component was determined by an independent professional valuer, Asset Appraisal Limited on the date of issue.

The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the interest rate and providing substantially the same cash flows, on the same terms, but without the conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

29. 可換股票據

- A) 於二零零七年十月十一日，本公司發行票面值8,000,000美元（或約62,400,000港元）之新可換股票據，換股價為每股換股股份0.26港元。假設按換股價悉數轉換可換股票據，可換股票據將轉換成240,000,000股本公司股份。票據持有人將有權於二零零九年十月十日到期日之前任何營業日轉換全部或部分可換股票據本金額為本公司股份。可換股票據之年息為5厘，須按年於可換股票據發行日期後首年當日及第二年當日之期末支付。

負債部分之公平值均由獨立專業估值師資產評值顧問有限公司於發行當日進行估值。

負債部分之公平值為合約所定之未來現金流量按利率貼現並根據相同條款提供大致上相同現金流量但並無轉換權之現值。餘額乃分配為股本部分，於股東股本列賬。

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29. CONVERTIBLE NOTE (CONTINUED)

29. 可換股票據(續)

		Liability component 負債部分 HK\$'000 千港元	Equity component 股本部分 HK\$'000 千港元
As at 1 April 2007	於二零零七年四月一日	-	-
Convertible note issued on 11 October 2007	於二零零七年十月十一日 發行可換股票據	50,246	12,154
Interest charge	利息費用	1,475	-
As at 31 March 2008	於二零零八年三月三十一日	51,721	12,154

B) On 7 June 2006, the Company issued convertible note with a face value of HK\$20,000,000 to a third party for a consideration of HK\$17,000,000. The principal terms of the convertible note are as follows:

- a) Maturity date is 2 years from date of issue;
- b) Bear no interest; and
- c) The note can be converted from the date of issue and up to the business day immediately prior to the date of maturity in whole or in partial into common shares of the Company at a conversion price of HK\$0.46 per share.
- d) The Company shall redeem (all but not part of) the principal amount of the note outstanding prior to the maturity date at its option by giving 7 days' written notice to the noteholder not less than 15 days in advance to the next semi-annual date at a value equal 102 per cent of the principal amount.
- e) The noteholder has the right to request the Company to repay the 92% of the outstanding principal amount of the note after the first anniversary of the note.

B) 於二零零六年六月七日，本公司向一名第三方發行票面值為20,000,000港元之可換股票據，代價為17,000,000港元。可換股票據之主要條款如下：

- a) 到期日為發行日期起計兩年；
- b) 不計息；及
- c) 票據可自發行日期起至緊接到期日前之營業日止按換股價每股0.46港元全部或部分轉換為本公司普通股。
- d) 本公司可選擇於到期日前贖回全部但並非部分票據尚餘本金額，據此，本公司須於下個半年結日期最少15日前，藉給予票據持有人7日書面通知，按等同本金額之102%贖回票據。
- e) 票據持有人有權於票據首週年後要求本公司償還未償還本金額之92%。

29. CONVERTIBLE NOTE (CONTINUED)

B) (Continued)

The fair values of the liability component and the embedded derivatives were determined by an independent professional valuer, Asset Appraisal Limited on the date of issue.

The initial fair value of the liability component of the convertible note represents the discounted future cash flows calculated using market interest rates for an equivalent non-convertible bond upon issuance. The liability component is subsequently carried at amortised cost. The fair values of the embedded derivatives are calculated using the Binomial Option Pricing Model.

Inputs into the Binomial Option Pricing Model are as follows:

		7 June 2006 二零零六年 六月七日	31 March 2007 二零零七年 三月三十一日
Exercise price	行使價	0.46	0.46
Risk-free rate of interest	無風險利率	4.378%	3.760%
Dividend yield	股息收益率	0%	0%
Time to expiration	距離到期時間	2 years年	1.19 years年
Volatility	波幅	104	74.42

29. 可換股票據 (續)

B) (續)

負債部分及內含衍生工具之公平值均由獨立專業估值師資產評估顧問有限公司於發行當日釐定。

可換股票據之負債部分之初步公平值指按等同之不可換股債券於發行後之市場利率計算之貼現未來現金流量。負債部分其後按攤銷成本列值。內含衍生工具之公平值則按二項式期權定價模式計算。

二項式期權定價模式之輸入數據如下：

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29. CONVERTIBLE NOTE (CONTINUED)

B) (Continued)

The movements of the liability component and embedded derivatives of the convertible note for the year is set out below:

		Liability component	Conversion option	Noteholder redemption option	Issuer redemption option	Fair value adjustment	Total
		負債部分	換股權	贖回選擇權	贖回選擇權	公平值調整	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Convertible note issued on 7 June 2006	於二零零六年六月七日 發行之可換股票據	13,510	7,732	-	-	(4,242)	17,000
Issuing expenses	發行開支	(96)	(54)	-	-	-	(150)
Interest payable during the year	年內應付利息	2,333	-	-	-	-	2,333
Changes in fair value	公平價變動	-	(7,233)	-	-	4,242	(2,991)
At 31 March 2007	於二零零七年三月三十一日	15,747	445	-	-	-	16,192

During the year, the above convertible note was fully redeemed.

30. DEFERRED TAXATION

In accordance with the accounting policy set out in note 2(M), the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$12,025,000 (2007: HK\$11,838,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

29. 可換股票據 (續)

B) (續)

年內，可換股票據負債部分及內含衍生工具之變動載列如下：

		Liability component	Conversion option	Noteholder redemption option	Issuer redemption option	Fair value adjustment	Total
		負債部分	換股權	贖回選擇權	贖回選擇權	公平值調整	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Convertible note issued on 7 June 2006	於二零零六年六月七日 發行之可換股票據	13,510	7,732	-	-	(4,242)	17,000
Issuing expenses	發行開支	(96)	(54)	-	-	-	(150)
Interest payable during the year	年內應付利息	2,333	-	-	-	-	2,333
Changes in fair value	公平價變動	-	(7,233)	-	-	4,242	(2,991)
At 31 March 2007	於二零零七年三月三十一日	15,747	445	-	-	-	16,192

年內，上述可換股票據已悉數贖回。

30. 遞延稅項

遵照附註2(M)所載之會計政策，由於在有關稅務司法權區和實體取得可動用稅務虧損抵銷之未來應課稅溢利之可能性不大，故本集團並無就累積稅務虧損12,025,000港元(二零零七年：11,838,000港元)確認遞延稅項資產。根據現行稅法，稅務虧損並未屆滿。

31. SHARE CAPITAL

31. 股本

		2008 二零零八年		2007 二零零七年	
		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股				
Authorised:	法定：				
At the beginning and the end of the year	於年初及 年終	10,000,000	100,000	10,000,000	100,000
Issued and fully paid:	已發行及繳足：				
At the beginning of year	年初	637,432	6,374	587,456	5,875
Placing of new shares (note1)	配售新股 (附註1)	-	-	49,976	499
Placing of new shares (note2)	配售新股 (附註2)	1,800,000	18,000	-	-
Placing of new shares (note3)	配售新股 (附註3)	41,548	416	-	-
At end of year	年終	2,478,980	24,790	637,432	6,374

Note 1: The Company issued 49,976,000 ordinary shares of HK\$0.01 each on 16 May 2006.

附註1：本公司於二零零六年五月十六日發行49,976,000股每股面值0.01港元之普通股。

Note 2: The Company issued 1,800,000,000 ordinary shares of HK\$0.01 each on 31 July 2007.

附註2：本公司於二零零七年七月三十一日發行1,800,000,000股每股面值0.01港元之普通股。

Note 3: The Company issued 41,548,253 ordinary shares of HK\$0.01 each on 29 February 2008.

附註3：本公司於二零零八年二月二十九日發行41,548,253股每股面值0.01港元之普通股。

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31. SHARE CAPITAL (CONTINUED)

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt to adjusted capital ratio. For this purpose the Group defines net debts as total debt (which includes interest-bearing loans and borrowings, trade and other payables and obligations under finance leases but excludes redeemable preference shares) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity and redeemable preference shares, other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

During the year ended 31 March 2008, the Group's equity ratio has been decreased due to the issue of new share to increase the working capital of the Group.

31. 股本(續)

資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續按持續經營基準經營，從而令本集團通過按風險水平為產品及服務定價及以合理成本取得融資管道，繼續為股東帶來回報並為其他權益持有人帶來裨益。

本集團積極定期檢討及管理資本架構，務求在較高股東回報(可能帶來較高借貸水平)與良好資本狀況帶來之好處及保障兩者之間取得平衡，並因應經濟環境之變化調整資本架構。

與業界慣例一致，本集團按淨負債對經調整資本比率基準監察其資本結構。就此而言，本集團將淨負債界定為總負債(包括計息貸款及借款、應付賬款及其他應付款，及融資租約承擔，但不包括可贖回優先股)加非累計擬分派股息，減現金及現金等值物。經調整資本包括股東應佔權益及可贖回優先股之所有組成部分(涉及現金流量對沖之股本中經確認之金額除外)減非累計擬分派股息。

於截至二零零八年三月三十一日止年度，由於發行新股以增加本集團之營運資金，本集團之權益比率經已下降。

31. SHARE CAPITAL (CONTINUED)**Capital management (Continued)**

The net debt-to-equity ratio at 31 March 2008 and 2007 was as follows:

31. 股本(續)**資本管理(續)**

於二零零八年及二零零七年三月三十一日，本集團之淨負債對權益比率如下：

		Note 附註	The Group 本集團		The Company 本公司	
			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current liabilities:	流動負債：					
Trade payables	應付賬款	24	4,316	16,974	-	-
Other payables and accruals	其他應付款項及應計款項		21,198	1,667	662	373
Amount due to a director	應付一名董事款項	25	-	11,260	-	-
Amount due to a related company	應付一家關連公司款項	26	1,509	-	-	-
Amount due to subsidiaries	應付附屬公司款項	27	-	-	20	-
Secured bank loans	有抵押銀行貸款	28	-	25,293	-	-
Embedded financial derivatives	內含衍生金融工具	29	-	445	-	445
			27,023	55,639	682	818
Non-current liabilities:	非流動負債：					
Convertible notes	可換股票據	29	51,721	15,747	51,721	15,747
Total debt	總負債		78,744	71,386	52,403	16,565
Less: Cash and cash equivalents	減：現金及現金等值物	23	(39,612)	(8,624)	-	-
Pledged bank deposits	已質押銀行存款		(150)	-	-	-
Net debt	淨負債		38,982	62,762	52,403	16,565
Total equity	權益總額		37,624	12,485	56,734	19,709
Net debt-to-equity ratio	淨負債對權益比率		104%	503%	92%	84%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司或其附屬公司均不受外部實施之資本規定限制。

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32. RESERVES

A) The Group

32. 儲備

A) 本集團

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Equity component of convertible note 可換股票據權益部份 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	30,924	3,930	-	-	477	(21,977)	13,354
Placing of new shares of HK\$0.01 each completed on 16 May 2006	配售每股面值0.01港元之新股，於二零零六年五月十六日完成	19,491	-	-	-	-	-	19,491
Issuing expenses	發行費用	(120)	-	-	-	-	-	(120)
Exchange difference arising from translation of financial statements	換算財務報表產生之匯兌差額	-	-	-	-	1,896	-	1,896
Loss for the year	本年度虧損	-	-	-	-	-	(28,510)	(28,510)
At 31 March 2007	於二零零七年三月三十一日	50,295	3,930	-	-	2,373	(50,487)	6,111
Issue of new shares of HK\$0.01 each completed on 31 July 2007	發行每股面值0.01港元之新股，於二零零七年七月三十一日完成	12,600	-	-	-	-	-	12,600
Issue of new shares of HK\$0.01 each completed on 29 February 2008	發行每股面值0.01港元之新股，於二零零八年二月二十九日完成	4,961	-	-	-	-	-	4,961
Issue of convertible note on 11 October 2007	於二零零七年十月十一日發行可換股票據	-	-	12,154	-	-	-	12,154
Equity-settled share option arrangement	股本結算購股權安排	-	-	-	355	-	-	355
Exchange difference arising from translation of financial statements	換算財務報表產生之匯兌差額	-	-	-	-	3,841	-	3,841
Loss for the year	本年度虧損	-	-	-	-	-	(27,067)	(27,067)
At 31 March 2008	於二零零八年三月三十一日	67,856	3,930	12,154	355	6,214	(77,554)	12,955

32. RESERVES (CONTINUED)**B) The Company**

		Share premium 股份溢價 HK\$'000 千港元	Contributed Surplus 實繳盈餘 HK\$'000 千港元	Convertible bond 可換股債券 股本部份 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	30,924	1,988	-	-	(17,557)	15,355
Placing of new shares of HK\$0.01 each completed on 16 May 2006	於二零零六年五月十六日 完成配售每股面值 0.01港元之新股份	19,491	-	-	-	-	19,491
Issuing expenses	發行費用	(120)	-	-	-	-	(120)
Loss for the year	本年度虧損	-	-	-	-	(21,391)	(21,391)
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日 及二零零七年四月一日	50,295	1,988	-	-	(38,948)	13,335
Issue of new shares of HK\$0.01 each completed on 31 July 2007	於二零零七年七月三十一日 完成發行每股面值 0.01港元之新股份	12,600	-	-	-	-	12,600
Issue of new shares of HK\$0.01 each completed on 29 February 2008	於二零零八年二月二十九日 完成發行每股面值 0.01港元之新股份	4,961	-	-	-	-	4,961
Issue of convertible bond on 11 October 2007	於二零零七年十月十一日 發行可換股債券	-	-	12,154	-	-	12,154
Equity-settled share option arrangement	股本結算購股權安排	-	-	-	355	-	355
Loss for the year	本年度虧損	-	-	-	-	(11,461)	(11,461)
At 31 March, 2008	於二零零八年三月三十一日	67,856	1,988	12,154	355	(50,409)	31,944

At 31 March 2008, the aggregate amount of reserves available for distribution to equity holders of the Company was approximately HK\$19,435,000. (2007: HK\$13,335,000)

於二零零八年三月三十一日，可供分派予本公司股本持有之儲備總額約為19,435,000港元（二零零七年：13,335,000港元）。

The share premium is arising from the issue of shares of the Company.

股份溢價乃因發行本公司股份而產生。

The contributed surplus represents the difference between the combined net assets of the subsidiaries acquired by the Company and the nominal value of the shares of the Company at the time of the Group reorganisation.

實繳盈餘指於本集團重組時本公司所收購之附屬公司合併資產淨值與本公司股份面值間之差額。

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33. DISPOSAL OF SUBSIDIARIES

As referred to in note 15, on 31 March 2008, the Group disposed of four subsidiaries. The net assets of those subsidiaries at the date of disposal were as follows:

33. 出售附屬公司

誠如附註15所述，本集團於二零零八年三月三十一日出售四間附屬公司。於出售日期，該等附屬公司之資產淨值如下：

		2008 二零零八年 HK\$'000 千港元
NET ASSETS DISPOSED OF	所出售淨資產	
Financial assets at fair value through profit or loss	按公平值列賬及在損益賬處理之金融資產	245
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	47
Bank balances and cash	銀行結存及現金	20
Accruals	應計費用	(80)
Total consideration	總代價	232
Satisfied by:	支付方式：	
Cash	現金	232
		232
Net cash outflow arising on disposal:	出售產生之現金流出淨額	
Cash consideration	現金代價	-
Bank balances and cash disposed of	所售銀行結餘及現金	20
		(20)

As at the balance sheet date, the cash consideration has not yet been received by the Group.

於結算日，本集團仍未收到現金代價。

The subsidiaries disposed of during the year did not have any significant impact on the Group's cash-flow.

年內出售之附屬公司對本集團現金流量並無重大影響。

34. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to written resolutions passed on 19 October 2002 (the "Scheme") for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and will expire in 12 November 2012. Under the Scheme, the board of directors of the Company may grant options to full-time or part-time employees including directors (executive and non-executive) and any advisor, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries, to subscribe for shares in the Company.

Subject to the condition that the total number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time, the total number of shares in respect of which options may be granted under the Scheme when aggregated with any shares subject to any other schemes is not permitted to exceed 10% of the shares of the Company immediately upon the listing of the shares on the Stock Exchange ("Scheme Mandate Limit"), without prior approval from the Company's shareholders. Options lapsed in accordance with the terms of the share option scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or any of his, her or its associates in the 12-month period up to and including the date of offer of the option exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved by the Company's shareholders.

34. 購股權計劃

根據二零零二年十月十九日通過之書面決議案，本公司採納其購股權計劃（「該計劃」），旨在鼓勵董事、合資格僱員及曾為本集團作出貢獻之參與者，並將於二零一二年十一月十二日屆滿。根據該計劃，本公司董事會可向本公司或其任何附屬公司之全職或兼職僱員，包括執行及非執行董事及任何顧問、諮詢人、供應商、分銷商、承包商、代理、業務夥伴、發起人、服務供應商或客戶等授出購股權，以認購本公司股份。

在因行使根據該計劃及本公司任何其他計劃授出及尚未行使其所有未獲行使購股權而可予發行之股份總數不得超出本公司不時之已發行股份30%之條件所規限，及在未經本公司股東事先批准之情況下，根據該計劃可予授出之購股權所涉及股份總數與任何其他計劃所涉及之任何股份共計不得超過本公司於聯交所上市當日之股份10%（「計劃授權限額」）。根據購股權計劃之條款，已失效之購股權將不會計入計劃授權限額內。在未經本公司股東事先批准之情況下，於任何十二個月期間內可向任何人士授出之購股權總額所涉及股份數目，不得超過本公司已發行股份之1%。於截至授出購股權日期止十二個月期間內授予主要股東或獨立非執行董事或彼之任何聯繫人士之購股權，若超出本公司已發行股份0.1%及逾5,000,000港元之價值兩者之較高者，則必須取得本公司股東之批准。

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34. SHARE OPTION SCHEME (CONTINUED)

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of acceptance of the share options to such date as determined by the board of directors of the Company and will not be less than the highest of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

Note: The options are exercisable during the 4-year period from the first anniversary of the offer date to the expiry of the fifth anniversary of the offer date (i.e., from 3 October 2008 to 3 October 2012) in the following manner:

- (1) 20% of the respective option shares will be exercisable by the related grantee after the first anniversary of the offer date; and
- (2) The remaining 80% of the respective option shares will be exercisable by the related grantee after the third anniversary of the offer date.

34. 購股權計劃(續)

授出之購股權必須於授出日期起計21日內，就每份購股權支付1港元後接納。購股權可於接納購股權當日起至本公司董事會釐定之有關日期止期間內隨時行使，惟將不會低於本公司股份於授出日期之收市價、股份於緊接授出日期前五個營業日之平均收市價及本公司股份之面值三者中之最高者。

附註： 購股權可於發售日期第一週年起計至發售日期第五週年屆滿(即二零零八年十月三日至二零一二年十月三日)之四年期間按以下方式行使：

- (1) 有關承授人將可於發售日期第一週年後行使各自之購股權股份20%；及
- (2) 有關承授人將可於發售日期第三週年後行使餘下80%之各自購股權股份。

34. SHARE OPTION SCHEME (CONTINUED)

The following share options were outstanding under the Scheme during the year:

Category 類別	Date of grant 授出日期	Number of options held as at, 1 April 2006 31 March 2007 and 1 April 2007 於二零零六年四月一日、 二零零七年三月三十一日 及二零零七年四月一日 所持之購股權數目	Number of shares issuable under options granted during the year 就年內 所授出購股權項 下可予發行之股份數目	Number of shares issuable under options held as at 31 March 2008 於二零零八年 三月三十一日 所持之購股權項 下可予發行之股份數目	Exercisable price 行使價 HK\$ 港元	Exercise period 行使期 (Note) (附註)
Directors 董事	3/10/2007 二零零七年十月三日	-	600,000	600,000	0.312	3/10/2008-3/10/2012 二零零八年十月三日至 二零一二年十月三日
Employees 僱員	3/10/2007 二零零七年十月三日	-	2,264,000	2,264,000	0.312	3/10/2008-3/10/2012 二零零八年十月三日至 二零一二年十月三日
Advisor 顧問	3/10/2007 二零零七年十月三日	-	9,296,000	9,296,000	0.312	3/10/2008-3/10/2012 二零零八年十月三日至 二零一二年十月三日
			12,160,000	12,160,000		
Exercisable at the end of the year 至年底可行使						-
Weighted average exercise price 加權平均行使價		-	HK\$0.312港元	HK\$0.312港元		

34. 購股權計劃(續)

年內，該計劃項下尚未行使之購股權如下：

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34. SHARE OPTION SCHEME (CONTINUED)

The fair value of the share options granted during the year ended 31 March 2008 was HK\$355,000.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into the account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2008		二零零八年
Share price	HK\$0.27	股價	0.27港元
Exercise price	HK\$0.312	行使價	0.312港元
Volatility	85.57%	波幅	85.57%
Risk-free interest rate	4.079%	無風險利率	4.079%
Life of options	5 years	購股權年期	5年
Expected dividend yield	0%	預期股息收益率	0%

At the date of approval of these financial statements, the Company had 12,160,000 shares issuable under options granted and outstanding under the Scheme, which represented approximately 0.50% of the Company's shares in issue as at that date.

34. 購股權計劃(續)

截至二零零八年三月三十一日止年度期間，授出之購股權公平值為355,000港元。

年內授出之股本結算購股權之公平值乃於授出日期以二項式模式進行估計，並考慮授出購股權之條款及條件。所用模式之計入項目如下：

於批准此等財務報表當日，本公司擁有根據該計劃已授出但尚未行使之購股權項下12,160,000股可予發行之股份，佔該日本公司已發行股份約0.50%。

35. OPERATING LEASE COMMITMENTS**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:

		2008 二零零八年		2007 二零零七年	
		Properties 物業 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Properties 物業 HK\$'000 千港元	Others 其他 HK\$'000 千港元
Within one year	一年內	2,896	195	1,063	-
In the second to fifth year, inclusive	於第二年至第五年 (包括首尾兩年)	2,149	585	605	-
		5,045	780	1,668	-

Other than as disclosed above, the Group and the Company had no material lease commitments outstanding at the balance sheet date.

除上述所披露外，本集團及本公司於結算日並無尚未支付之重大租約承擔。

36. CAPITAL COMMITMENTS**The Group**

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Contracted but not provided for	已訂約但未撥備		
- Property, plant and equipment	- 物業、機器及設備	286	14,807

Other than as disclosed above, the Group and the Company had no material capital commitments outstanding at the balance sheet date.

除上文所披露者外，本集團及本公司於結算日並無重大未償還之資本承擔。

35. 經營租約承擔**本集團作為承租人**

於結算日，本集團根據不可撤銷經營租約應付之日後最低租賃付款承擔如下：

36. 資本承擔**本集團**

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37. PLEDGE OF ASSETS

The Group has pledged bank deposits of approximately HK\$150,000 as at 31 March 2008 to secure general banking facilities to subsidiaries (2007: nil).

38. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

A) Related party transactions included in the income statement:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Rental expenses paid to Guangdong Photar High Technology Co., Ltd. ("Photar High Tech") (Note)	支付予廣東豐達高科技有限公司(「豐達高科技」)(附註)之租賃開支	255	237

Note: There is a common shareholder in the Company and Photar High Tech.

B) Compensation of key management personnel of the Group:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	722	535
Share-based payment	以股份為基礎之付款	18	-
		740	535

Note: Further details of directors' emoluments are included in note 9 to the financial statements.

37. 資產抵押

本集團於二零零八年三月三十一日已抵押銀行存款約150,000港元(二零零七年：無)以作為給予附屬公司之一般銀行融資之擔保。

38. 關連人士交易

年內，本集團與關連人士達成以下重大交易：

A) 計入收益表之關連人士交易：

	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
	255	237

附註：本公司與豐達高科技有一名共同股東。

B) 本集團主要管理人員之報酬：

	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
	722	535
	18	-
	740	535

附註：董事薪酬之進一步詳情載於財務報表附註9。

39. NON-CASH TRANSACTION

During the year ended 31 March 2007, the Group entered into consultancy agreements with two sales agent coordinators for a term of two years in relation to the establishment of certain points-of-sale in PRC. The Company issued 49,976,000 shares at HK\$0.4 per share to these two sales agent coordinators for paying the success fee for the services provided by the sales agent coordinators. The total consideration of HK\$19,990,400 was recognised in the income statement during the year. It is therefore, the shares issued is a non-cash transaction.

40. POST BALANCE SHEET EVENTS

A) Exercise of conversion right attached to the convertible notes

On 8 April 2008, the Company received a written notice from Sunshine Empire Pte Limited (the "Subscriber") that the Subscriber would transfer in whole the principal amount of the convertible note of US\$8,000,000 (approximately HK\$62,400,000) subsisted as at 31 March 2008 to Sunshine Empire Limited. Sunshine Empire Limited will nominate Beauvoir Holdings Limited to hold the convertible note.

On 9 April 2008, the Company received a conversion notice from Beauvoir Holdings Limited that it will convert in whole the principal amount of the convertible note at the conversion price of HK\$0.26 per conversion share. Upon full conversion of the convertible note at the conversion price, Beauvoir Holdings Limited will be interested in 240,000,000 shares of the Company, representing approximately 9.68% of the issued share capital of the Company of 2,478,980,253 shares of the Company as at the date of notice and approximately 8.83% of the issued share capital of the Company as enlarged after the full conversion of the convertible note.

39. 非現金交易

於截至二零零七年三月三十一日止年度，本集團與兩名銷售代理協調人訂立為期兩年之顧問協議，內容有關於中國設立若干銷售點。本公司以每股0.4港元之價格向該兩名銷售代理協調人發行49,976,000股股份，用作支付銷售代理協調人所提供服務之完成酬金。年內，於收益表內確認之總代價為19,990,400港元。因此，所發行之股份為一項非現金交易。

40. 結算日後事項

A) 行使一份可換股票據所附帶之換股權

於二零零八年四月八日，本公司接獲Sunshine Empire Pte Limited (「認購人」)之書面通知，指其將悉數轉讓於二零零八年三月三十一日仍然有效之本金額8,000,000美元(約62,400,000港元)之可換股票據予陽光大帝有限公司。陽光大帝有限公司將提名Beauvoir Holdings Limited持有可換股票據。

於二零零八年四月九日，本公司接獲Beauvoir Holdings Limited之轉換通知，指其將按換股價每股換股股份0.26港元悉數轉換可換股票據之本金額。於可換股票據按換股價悉數轉換後，Beauvoir Holdings Limited將擁有240,000,000股本公司股份之權益，分別佔本公司於該通知日期之已發行股本2,478,980,253股股份約9.68%及佔本公司經悉數轉換可換股票據擴大後之已發行股本約8.83%。

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40. POST BALANCE SHEET EVENTS (CONTINUED)

B) Major and connected transaction in relation to acquisition of interests in Bridge Partners Finance Limited (the "Acquisition")

As more particularly described in the Company's announcement and circular dated 21 May 2008 and 23 June 2008 respectively.

On 6 May 2008, the Company entered into an agreement and supplemented by a supplemental agreement dated 21 May 2008, with Mr. Lee Kwok Ning and Ms. Lin Wai Yan (the "Vendors") and Mr. Yong Wai Hong (as warrantor) whereby the Company has conditionally agreed, among other things, to acquire from the Vendors the entire issued share capital of Bridge Partners Finance Limited ("BPF"), which will at completion legally and beneficially own 51% of Bridge Partners Capital Limited ("BPC") and 51% of CNC Investment Holding Limited ("CNC"), which in turn will beneficially own 100% of Bridge Partners Investment Management Limited ("BPIM"), at a consideration of HK\$180 million.

The consideration for the Acquisition is to be satisfied at Completion as to HK\$30 million in cash and as to HK\$150 million by issue of convertible notes, in each case by the Company to the Vendors (or their respective nominees) in proportion to the Vendors' respective equity interest in BPF being sold to the Company.

40. 結算日後事項(續)

B) 有關收購Bridge Partners Finance Limited權益之主要及關連交易(「收購事項」)

詳情請參閱日期分別為二零零八年五月二十一日及二零零八年六月二十三日之本公司公佈及通函。

於二零零八年五月六日，本公司與李國寧先生及林慧欣女士(「該等賣方」)以及楊偉康先生(作為保證人)訂立一份協議(經日期為二零零八年五月二十一日之補充協議所補充)，據此，本公司有條件同意(其中包括)以代價為180,000,000港元向該等賣方收購Bridge Partners Finance Limited(「BPF」)全部已發行股本，BPF於完成收購時將合法及實益擁有寶橋融資有限公司(「寶橋融資」)51%及CNC Investment Holding Limited(「CNC」)51%權益，而後者則會實益擁有寶橋投資管理有限公司(「寶橋投資」)100%權益。

收購事項之代價將於完成時支付，當中30,000,000港元將以現金支付及150,000,000港元藉發行可換股票據支付；在各個情況均會按該等賣方售予本公司彼等各自於BPF之股權比例向該等賣方(或彼等各自之代理人)支付。

40. POST BALANCE SHEET EVENTS (CONTINUED)**B) Major and connected transaction in relation to acquisition of interests in Bridge Partners Finance Limited (the "Acquisition") (Continued)**

As the applicable percentage ratio (as defined in the GEM Listing Rules) of the Acquisition exceed 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under the GEM Listing Rules. Since both Vendors are proposed to be directors of the Company after the Acquisition, and hence will become the Controllers (the meaning ascribed to it in the GEM Listing Rules) on completion, the Acquisition is also regarded as a connected transaction under Rule 20.13(1)(b)(i) of the GEM Listing Rules. The agreement is conditional upon, among other things, the approval by the shareholders of the Company at an extraordinary general meeting.

41. ULTIMATE HOLDING COMPANY

The directors consider Emcom Limited, a Company incorporated in the British Virgin Islands, to be the ultimate holding company of the Company.

42. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

As a result of adoption HKFRS 7, Financial instruments: Disclosures, and the amendments to HKAS 1, Presentation of financial statements: Capital disclosures, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details of these developments are disclosed in note 2.

40. 結算日後事項(續)**B) 有關收購Bridge Partners Finance Limited權益之主要及關連交易(「收購事項」)(續)**

由於收購事項之適用百分比率(定義見創業板上市規則)超過25%但少於100%，根據創業板上市規則，收購事項構成本公司一項主要交易。由於該等賣方皆擬於收購事項後出任本公司董事，並因而將於完成時成為控權人(具創業板上市規則賦予之涵義)，故根據創業板上市規則第20.13(1)(b)(i)條，收購事項亦被視為一項關連交易。該協議須待(其中包括)本公司股東於股東特別大會批准後，方可作實。

41. 最終控股公司

董事認為Emcom Limited(一間於英屬處女群島註冊成立之公司)為本公司之最終控股公司。

42. 比較數字

若干比較數字已予重新分類，以配合本年度之呈報方式。

由於採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號之修訂「財務報表之呈列：資本披露」，若干比較數字已予調整，以符合本年度之披露變動，並已另行呈列於二零零七年首次作出披露之項目之比較金額。有關該等事宜之進一步詳情於附註2中披露。

Five Year Financial Summary 五年財務摘要

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

本集團於過去五個財政年度之業績及資產與負債如下：

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
RESULTS						
	業績					
Turnover	營業額	98,779	63,072	64,147	34,526	78,470
(Loss) Profit before taxation	除稅前（虧損）溢利	(27,715)	(28,510)	(13,299)	(11,384)	2,943
Taxation	稅項	527	-	700	(233)	(956)
(Loss) Profit before minority interest	扣除少數股東權益前（虧損）溢利	(27,188)	(28,510)	(12,599)	(11,617)	1,987
Interest		(121)	-	-	-	-
Minority interests	少數股東權益	(121)	-	-	-	-
(Loss) Profit attributable to equity holders of the Company	本公司股本持有人應佔（虧損）溢利	(27,067)	(28,510)	(12,599)	(11,617)	1,987
(Loss) Earning per share Basic (cents)	每股（虧損）盈利基本（仙）	(1.47)	(4.52)	(2.26)	(2.23)	0.38
ASSETS AND LIABILITIES						
	資產及負債					
Total assets	總資產	116,368	83,871	56,564	19,073	30,203
Total liabilities	總負債	(78,744)	(71,386)	(37,335)	(5,435)	(3,548)
Minority interests	少數股東權益	(121)	-	-	-	-