



星美出版集團有限公司
SMI PUBLISHING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8010



69 70th

2008 年報
ANNUAL REPORT

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

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

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This report, for which the directors (the “Directors”) of SMI Publishing Group 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, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

QIN Hong (*Chairman*)
YU Wai Ying, Sammy (*Chief Executive Officer*)
WONG Yue Kwan, Alan
WANG Fei

Independent Non-Executive Directors

JIANG Jin Sheng
KONG Tze Wing
WONG Ching Yip
HUNG Yat Ming

COMPANY SECRETARY

Lo Wing Hung

AUTHORISED REPRESENTATIVE

QIN Hong
WANG Fei

COMPLIANCE OFFICER

WANG Fei

AUDIT COMMITTEE

JIANG Jin Sheng
KONG Tze Wing
WONG Ching Yip
HUNG Yat Ming

董事會

執行董事

覃 宏 (主席)
余懷英 (行政總裁)
王裕鈞
王 飛

獨立非執行董事

姜進生
江子榮
王正曄
洪日明

公司秘書

勞永雄

授權代表

覃 宏
王 飛

合規主任

王 飛

審核委員會

姜進生
江子榮
王正曄
洪日明

Corporate Information

公司資料

AUDITORS

CCIF CPA Limited

LEGAL ADVISER

Michael Li & Co.
Hastings & Co.
Reimer & Partners

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

3rd Floor, CWG Building
No. 3 A Kung Ngam Village Road
Hong Kong

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Bank of Butterfield International (Cayman) Limited
P.O. Box 705
Butterfield House
Fort Street
George Town
Grand Cayman
Cayman Islands British West Indies

核數師

陳葉馮會計師事務所有限公司

法律顧問

李智聰律師事務所
希仕廷律師行
翁靜晶律師事務所

主要往來銀行

香港上海匯豐銀行有限公司
中國銀行(香港)有限公司

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

總辦事處及主要營業地點

香港
阿公岩村道3號
川匯集團大廈3樓

股份登記及過戶總處

Bank of Butterfield International
(Cayman) Limited
P.O. Box 705
Butterfield House
Fort Street
George Town
Grand Cayman
Cayman Islands British West Indies

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Room 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

8010

WEBSITE

www.singpao.com

股份登記及過戶處香港分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心17樓
1712-1716室

股份編號

8010

網站

www.singpao.com

Director's Statement 董事報告書

I have pleasure in presenting the business operation report and the audited financial statements of SMI Publishing Group Limited (the "Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2008.

Although the financial year ended 31 March 2008 was still a difficult year as the Group had continued to record a decline in turnover, it had recorded a decline in gross loss as compared with that of the last financial year as a result of a reduction in the costs of newspaper publication. Accordingly, the Group's net loss for the financial year under review had improved significantly.

Looking ahead, the Group is still facing severe competitions from the challenges of free-of-charge newspapers and other competitors.

Apart from the continuous efforts to monitor the market, restructure and streamline the business operations as and when necessary so as to improve the current financial status of the Group and enhance the business performance, the Management is actively looking for business opportunities to expand the Group's businesses as well as widening the income streams of the Group's business operations.

I would like to take this opportunity to express my gratitude and appreciation to our management teams, staff members, fellow shareholders, customers and business partners for their continuous contributions and support in the Group.

On behalf of the Board
Yu Wau Ying Sammy
Director, CEO

Hong Kong, 5 February 2009

本人欣然提呈星美出版集團有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零八年三月三十一日止財政年度之業務報告及經審計之財務報告。

雖然截至二零零八年三月三十一日止財政年度，由於營業額持續錄得下降以致本集團仍處於經營困難之一年，但經實施降低報章發行成本後，本集團錄得同比去年度下跌之虧損毛額。故此，本集團於本年度錄得之年度虧損已有明顯的改善。

展望將來，本集團仍面對免費報章及其他爭者所帶來之嚴峻挑戰。

除了持續努力地監察市場，並於必要時重組及簡化業務營運以改善財務狀況及提升業績，管理層將積極尋找商機，發展本集團的業務及擴闊本集團業務收入的來源。

本人藉此向我們的管理層團隊，員工，各股東同胞，客戶及業務夥伴對本集團持續付出之貢獻和支持，表示衷心感激。

代表董事會
董事，行政總裁
余懷英

香港，二零零九年二月五日

Biographical Information of Directors

董事資料

EXECUTIVE DIRECTORS

Mr. QIN Hong, aged 37, was appointed as the Chairman and an executive Director of the Company on 13 April 2006. He is also the Chairman of Stellar Megaunion Corporation, a PRC incorporated company, the A-shares of which are traded on the Shenzhen Stock Exchange. He holds a degree from university and has over 9 years experience in the media and telecommunication industry in the People's Republic of China. He is the younger brother of Mr. QIN Hui who is the 100% beneficial owner of Strategic Media International Limited, a substantial shareholder of the Company.

Mr. WANG Fei, aged 36, was appointed as an executive Director of the Company on 25 July 2006. He holds a degree from Peking University. He has been working for an internationally renowned foreign owned conglomerate established in Beijing in legal and management aspects.

Mr. WONG Yue Kwan, Alan, aged 41, was appointed as an executive director of the Company on 8 May 2008. He has accumulated over 10 years of experience in management of business trade and project investments.

Mr. YU Wai Ying, Sammy, aged 53, was appointed as an executive director of the Company on 8 May 2008. He has accumulated over 30 years of experience in coaching and management of football clubs and the post various from First Team Coach to Head Coach and Manager. He also has experiences in hosting sport programs and commentating football matches for TVB, ATV, Cable TV and Star TV.

執行董事

覃宏先生，現年37歲，於二零零六年四月十三日獲委任為本公司之主席兼執行董事。彼亦為星美聯合股份有限公司（一間於中國註冊成立之公司，其A股在深圳證券交易所買賣）之主席。覃先生持有大學學位，在中華人民共和國媒體及電訊業積逾九年經驗。彼亦為覃輝先生之弟，而覃輝先生乃本公司主要股東 Strategic Media International Limited 100%權益之實益擁有人。

王飛先生，現年36歲，於二零零六年七月二十五日獲委任為本公司之執行董事。彼持有北京大學學位，一直以來在北京一家知名之國際外資企業從事法律及管理方面之工作。

王裕鈞先生，現年41歲，於二零零八年五月八日獲委任為本公司之執行董事。彼於商貿管理及項目投資方面累積逾十年經驗。

余懷英先生，現年53歲，於二零零八年五月八日獲委任為本公司之執行董事。彼在指導及管理足球球會方面累積逾30年經驗，曾擔任第一教練、總教練及經理之職位。彼亦曾於無線電視、亞洲電視、有線電視及衛星電視主持運動節目及評述足球比賽。

Biographical Information of Directors

董事資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SHI Bin Hai, aged 46, was appointed as the independent non-executive Director of the Company in April 2004 and resigned due to personal reasons on 13 August 2008. He graduated in 1983 with a law degree of Hua Dong Zheng Fa Xue Yuan and has over 20 years' experience in media business of the PRC. He has been a chief editor and senior reporter of various prestige newspapers since 1983.

Mr. YAN Chun, aged 46, was appointed as the independent non-executive director of the Company on 29 September 2004 and resigned on 25 April 2008. He graduated from Renmin University of China and has about 20 years' experience in newspaper publication. Currently, He is the deputy general manager of Beijing Youth Report Xiao Hong Mao Publishing Company.

Mr. Jiang Jin Sheng, aged 53, was appointed as the independent non-executive director of the Company on 20 April 2007. He graduated from Zhong Yang Guang Bo Dian Shi University in the People's Republic of China majoring in Corporate Management. He has been working in Wuhan City Synthetic Fiber Factory, chief inspector in the import and export department of Shenzhen Shenhau Industrial Commercial Development Limited, and as controller of the administrative department in Shenzhen Sheng Ting Yuan Investment Limited. He has extensive experience in corporate management.

獨立非執行董事

施濱海先生，現年46歲，於二零零四年四月獲委任為本公司之獨立非執行董事並於二零零八年八月十三日因私人理由辭任。彼於一九八三年畢業於華東政法學院法律系，並於中國之傳媒業累積逾二十年經驗。彼自一九八三年起出任多份著名報章之主編及高級記者。

閔春先生，現年46歲，於二零零四年九月二十九日獲委任及於二零零八年四月二十五日辭任為本公司之獨立非執行董事。彼畢業於中國人民大學，擁有約二十年之報章發行經驗。彼現時為北京青年報小紅帽發行公司之副總經理。

姜進生先生，現年53歲，於二零零七年四月二十日獲委任為本公司之獨立非執行董事。彼畢業於中國中央廣播電視電視大學，主修企業管理。彼曾於武漢市合成纖維廠工作，亦於深圳深華工貿發展有限公司進出口貿易部擔任主任，及於深圳盛庭苑投資有限公司辦公室主任總監。彼於企業管理方面具豐富經驗。

Biographical Information of Directors 董事資料

Mr. Kong Tze Wing, aged 57, was appointed as the independent non-executive director of the Company on 20 April 2007. He is a fellow member of the Association of Chartered Certified Accountants since 1985 and became a fellow member of Hong Kong Institute of Certified Public Accountant in 1995. He became an ACA of The Institute of Chartered Accountants in England and Wales in October 2004. He was a former Vice President and Former Chairman of Mainland Affairs Committee of Hong Kong Institute of Accredited Accounting Technicians. He is also the Hon. President of The Institute of Financial Accountants in Hong Kong. He has been a Certified Public Accountants since 1981. He holds a bachelor degree in Accounting and a bachelor degree in Business Administration. He is a sole practitioner of the firm Messrs. James T. W. Kong & Co., Certified Public Accountants (Practising). He was an elected District Board member since 1991 and is currently an elected District Council member. He is actively participating in community services and has been appointed by the Hong Kong SAR Government to sit on various committees and appeal boards in Hong Kong.

Mr. WONG Ching Yip, aged 36, was appointed as an independent non-executive Director of the Company on 8 May 2008. He has accumulated over 10 years of work experience in sales and marketing. He holds a B. A. Double degree in Business Administration and Economics.

Mr. HUNG Yat Ming, aged 58, was appointed as an independent non-executive Director of the Company on 8 May 2008. He has accumulated over 20 years of work experience in accounting, hotel investment, property investment, management of business trade and project investments, in both private and listed companies. He is an associate member of both the Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants of Scotland. He is currently an independent non-executive director of Asia Standard Hotel Group Limited (Stock code: 292) and Asia Orient Holdings Limited (Stock code: 214), both companies listed on the Main Board of the Stock Exchange of Hong Kong.

江子榮先生，現年57歲，於二零零七年四月二十日獲委任為本公司之獨立非執行董事。彼自一九八五年起即為英國特許公認會計師公會資深會員，並於一九九五年成為香港會計師公會資深會員。他於二零零四年十月成為英國及威爾士特許會計師協會會員。彼亦為香港財務會計協會前副會長兼中國事務委員會前主席，以及英國財務會計師公會香港分會名譽會長。彼自一九八一年起即為香港執業會計師。彼持有會計學士學位及工商管理學士學位。彼為江子榮會計師行之唯一執業會計師。彼自一九九一年起即獲選為民選區議員，而現時為民選區議會議員。彼積極參與社區服務及被香港特別行政區政府委任於多個諮詢委員會及上訴委員會擔任職務。

王正曄先生，現年36歲，於二零零八年五月八日獲委任為本公司之獨立非執行董事。彼在銷售及市場推廣方面累積逾十年經驗。彼持有工商管理及經濟學士雙學位。

洪日明先生，現年58歲，於二零零八年五月八日獲委任為本公司之獨立非執行董事。彼在私人及上市公司之會計、酒店管理、物業投資、業務貿易管理及項目投資方面累積逾20年工作經驗。彼為香港會計師公會及蘇格蘭特許會計師公會之會員。彼現時為泛亞酒店集團有限公司(股份編號：292)及匯漢控股有限公司(股份編號：214)之獨立非執行董事。兩間公司均於香港聯合交易所之主板上市。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

The Group's turnover for the year ended 31 March 2008 was approximately HK\$48,558,000, a decrease of approximately HK\$19,196,000 or 28.33% compared with approximately HK\$67,754,000 for the previous year.

Loss attributable to the Company's shareholders for the year ended 31 March 2008 was approximately HK\$50,665,000, a decrease of approximately HK\$54,180,000 or 51.68% compared with approximately HK\$104,845,000 for the previous year. The substantial decrease in loss for the year was due to decreases in cost of sales and administrative expenses.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 March 2008, the Group did not maintain sufficient liquid funds and had net current liabilities of approximately HK\$88,482,000 (2007: approximately HK\$105,549,000). The net current liabilities as at 31 March 2008 comprises of cash and bank balances of approximately HK\$565,000 (2007: approximately HK\$2,026,000).

As at 31 March 2008, the Group's total loans and borrowings were amounted approximately to HK\$255,952,000 (2007: approximately HK\$225,693,000).

業務回顧

本集團截至二零零八年三月三十一日止年度之營業額約為港幣48,558,000元，較去年約港幣67,754,000元減少約港幣19,196,000元或28.33%。

截至二零零八年三月三十一日止年度，本公司股東應佔虧損約為港幣50,665,000元，較去年約港幣104,845,000元減少約港幣54,180,000元或51.68%。年內虧損大幅減少乃由於銷售成本及行政開支減少。

財務資源及流動資金

於二零零八年三月三十一日，本集團並無維持足夠流動資金，流動負債淨額約為港幣88,482,000元（二零零七年：約港幣105,549,000元）。於二零零八年三月三十一日之流動負債淨額包括現金及銀行結餘約港幣565,000元（二零零七年：約港幣2,026,000元）。

於二零零八年三月三十一日，本集團之貸款及借貸總額約港幣255,952,000元（二零零七年：約港幣225,693,000元）。

Management Discussion & Analysis

管理層討論及分析

BUSINESS OUTLOOK

Looking ahead, while expansion of readership segments is difficult due to the existence of free-of-charge newspapers, the Group is exploring the business of being a subcontractor of other publishers with the purpose of diversification for drawing new source of income.

Apart from the continuous efforts to monitor the market development, restructure and streamline the business operations as and when necessary so as to improve the current financial status of the Group and enhance the business performance, the management of the Company is actively looking for business opportunities to expand the Group's businesses as well as widening the income streams of the Group's business operations.

PLEDGE OF ASSETS

There were no pledge of assets of the Company during the year (2007: Nil).

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 30 of the financial statements.

DIVIDENDS

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

業務展望

展望將來，由於免費報章之出現導致提高讀者人數出現困難，本集團正開發成為其他發行商之分包商業務，以從更多途徑帶來新收入來源。

除持續致力監察市場發展、重組及於有需要時精簡業務營運以改善本集團目前財務狀況及提高業務表現外，本公司管理層積極物色業務商機，藉此擴充本集團業務，並拓闊本集團業務營運之收入來源。

資產抵押

年內本公司並無任何資產抵押(二零零七年：無)。

或然負債

或然負債之詳情載列於財務報表附註30。

股息

董事會不建議派發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)。

Management Discussion & Analysis

管理層討論及分析

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2008, the Group had 124 employees (2007: 277). Employee remuneration, excluding directors' remuneration, for the year ended 31 March 2008 is approximately HK\$29,843,000 (2007: approximately HK\$60,992,000). The remuneration packages of the Group's employees are rewarded on individual performance-related basis and by reference to the market conditions.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company ("2008 AGM") will be held on 15 May 2009.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2009 AGM, the register of members of the Company will be closed from Wednesday, 13 May 2009 to Friday, 15 May 2009, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's transfer office and share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 12 May 2009.

僱員數目及薪酬政策

於二零零八年三月三十一日，本集團聘用約124名(二零零七年：277名)僱員。除董事薪酬外，截至二零零八年三月三十一日止年度之僱員薪酬約為港幣29,843,000元(二零零七年：約港幣60,992,000元)。僱員之薪酬組合會參考市場行情及個人表現檢討及釐定。

股東週年大會

本公司二零零八年股東週年大會(「二零零八年股東週年大會」)將於二零零九年五月十五日舉行。

暫停辦理股份過戶登記手續

為釐清有權出席二零零九年股東週年大會並參與投票的股東身份，本公司將於二零零九年五月十三日星期三至二零零九年五月十五日星期五(包括首尾兩日)暫停辦理股份過戶登記手續。股東必須將所有過戶文件連同有關股票，於二零零九年五月十二日星期二下午四時正前，交回本公司在香港之股份登記及過戶處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

Directors' Report

董事會報告書

The Directors submit herewith their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company with its shares listed on the Growth Enterprise Market ("GEM") of the Hong Kong Stock Exchange Limited (the "Stock Exchange"). The principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2008 is set out in the consolidated income statement on page 37 of the annual report.

No interim dividend was paid by the Company during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2008.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in share capital and share options of the Company during the year are set out in notes 28(c) and 31 respectively to the accompanying financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity respectively.

董事現提呈彼等之報告書及本公司及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。

主要業務

本公司為一間投資控股公司，其股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。本公司附屬公司之主要業務載於財務報表附註18。

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業績載於年報第37頁之綜合收益表。

年內本公司並無派發中期股息。董事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。

股本及購股權

本公司股本及購股權於年內之變動詳情分別載於財務報表附註28(c)及31。

儲備

本公司及本集團之儲備於年內之變動詳情分別載於財務報表附註28(b)及綜合權益變動表。

Directors' Report

董事會報告書

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 17 to the financial statements.

SUBSIDIARIES

Particulars of the subsidiaries of the Company are set out in note 18 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2008, the five largest customers and the largest customer of the Group accounted for approximately 73% and 66% respectively, of the Group's turnover. The purchases attributable to the Group's five largest suppliers and the largest supplier of the Group were approximately 99% and 78% respectively, of the Group's purchase.

As far as the Directors are aware, neither the Directors, their associates (within the meaning of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("the GEM Listing Rules") nor those shareholders which to the knowledge of the Directors own more than 5% in the Company's share capital had any interest in the five largest customers and suppliers.

固定資產

本集團之固定資產之變動詳情載於財務報表附註17。

附屬公司

本公司附屬公司之詳情載於財務報表附註18。

主要客戶及供應商

截至二零零八年三月三十一日止年度，本集團五大客戶及最大客戶分別佔本集團營業額約73%及66%。本集團五大供應商及最大供應商之採購額分別佔本集團購買約99%及78%。

就董事所知，各董事、彼等之聯繫人（定義見聯交所創業板證券上市規則（「創業板上市規則」））或股東（就董事所知擁有本公司5%以上股本之股東）概無於五大客戶及供應商擁有任何權益。

Directors' Report

董事會報告書

DIRECTORS

The Directors of the Company in office during the year and up to the date of this report are as follows:

Executive Directors

QIN Hong (<i>Chairman</i>)	
WANG Fei	
Hao Bin	(resigned on 10 October 2007)
WONG Yue Kwan, Alan	(appointed on 8 May 2008)
YU Wai Ying, Sammy (<i>Chief Executive Officer</i>)	(appointed on 3 September 2008)

Independent non-executive Directors

SHI Bin Hai	(resigned on 13 August 2008)
YAN Chun	(resigned on 25 April 2008)
JIANG Jin Sheng	(appointed on 20 April 2007)
KONG Tze Wing	(appointed on 20 April 2007)
WONG Ching Yip	(appointed on 3 September 2008)
HUNG Yat Ming	(appointed on 3 September 2008)

董事

於年內及截至本報告日期擔任本公司董事之人士如下:

執行董事

覃 宏 (<i>主席</i>)	
王 飛	
郝 彬	(於二零零七年 十月十日辭任)
王裕鈞	(於二零零八年 五月八日獲委任)
余懷英 (<i>行政總裁</i>)	(於二零零八年 九月三日獲委任)

獨立非執行董事

施濱海	(於二零零八年 八月十三日辭任)
閻 春	(於二零零八年 四月二十五日辭任)
姜進生	(於二零零七年 四月二十日獲委任)
江子榮	(於二零零七年 四月二十日獲委任)
王正曄	(於二零零八年 九月三日獲委任)
洪日明	(於二零零八年 九月三日獲委任)

Directors' Report

董事會報告書

DIRECTOR SERVICE CONTRACTS

None of the Directors of the Company being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2008, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangement to enable the Directors, their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事服務合約

本公司所有於應屆股東週年大會上被提呈再次委任之董事，概無與本公司或其附屬子公司訂立若一年內終止服務時須作出賠償(除法定賠償以外)的服務合約。

董事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，董事及本公司主要行政人員概無於本公司或任何相聯法團(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須登記於本公司根據證券及期貨條例第352條存置之登記冊，或根據創業板上市規則第5.46條所載董事進行交易之規定標準須知會本公司及聯交所之任何權益及淡倉。

除上文所披露者外，於年內任何時間，本公司或其附屬公司概無參與任何安排，致使董事或彼等之配偶或未滿18歲之子女可藉購入本公司或任何其他法團之股份或債券而獲益。

Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2008, the persons or corporations (not being a Directors or chief executive of the Company) who had interests or short positions (directly or indirectly) in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are substantial shareholders required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東

於二零零八年三月三十一日，根據證券及期貨條例第XV部第2及第3分部須向本公司披露及按照證券及期貨條例第336條存置所示為主要股東或已知會本公司，下列人士或公司（並非董事或本公司主要行政人員）擁有本公司股份或相關股份之權益或淡倉（直接及間接）如下：

Name of shareholders	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
股東名稱	身份	持有本公司股份數目	概約持股百分比
QIN Hui	Held by controlled Corporation	261,473,945 (Note 1)	26.37%
覃輝	受控制公司之權益	261,473,945 (附註1)	26.37%
	Held by controlled Corporation	1,000,000,000 (Note 2)	100.84%
	受控制公司之權益	1,000,000,000 (附註2)	100.84%
Strategic Media International Limited	Beneficial owner	261,473,945 (Note 1)	26.37%
	實益擁有人	261,473,945 (附註1)	26.37%
	Beneficial owner	1,000,000,000 (Note 2)	100.84%
	實益擁有人	1,000,000,000 (附註2)	100.84%
LAM Ka Chung William	Held by controlled Corporation	71,873,415 (Note 3)	7.25%
林家聰	受控制公司之權益	71,873,415 (附註3)	7.25%

Directors' Report

董事會報告書

Name of shareholders 股東名稱	Capacity 身份	No. of shares of the Company held 持有本公司 股份數目	Approximate percentage of shareholding 概約持股 百分比
LAM Wong Yuk Sin Mary 林黃玉羨	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%
CHOI Koon Shum Jonathan 蔡冠深	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%
KWAN Wing Kum Janice 關穎琴	Held by spouse 配偶之權益	71,873,415 (Note 3)	7.25%
Kingsway International Holdings Limited	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%
Innovation Assets Limited	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%
World Developments Limited	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%
SW Kingsway Capital Holdings Limited 匯富金融控股有限公司	Held by controlled Corporation 受控制公司之權益	71,873,415 (Note 3)	7.25%

Directors' Report

董事會報告書

Name of shareholders	Capacity	No. of shares of the Company held 持有本公司 股份數目	Approximate percentage of shareholding 概約持股 百分比
股東名稱	身份		
Kingsway China Holdings Limited	Held by controlled Corporation	71,873,415 (Note 3)	7.25%
	受控制公司之權益	71,873,415 (附註3)	7.25%
Festival Developments Limited	Held by controlled Corporation	71,873,415 (Note 3)	7.25%
	受控制公司之權益	71,873,415 (附註3)	7.25%
Kingsway Lion Spur Technology Limited	Beneficial owner	71,873,415 (Note 3)	7.25%
	實益擁有人	71,873,415 (附註3)	7.25%
JIAO Erli	Beneficial owner	93,000,000 (Note 4)	9.38%
	實益擁有人	93,000,000 (附註4)	9.38%
SINA Corporation	Beneficial owner	51,769,817 (Note 4)	5.22%
	實益擁有人	51,769,817 (附註4)	5.22%
PENG Chi Hui 彭熾輝	Beneficial owner	50,000,000 (Note 4)	5.04%
	實益擁有人	50,000,000 (附註4)	5.04%

Directors' Report

董事會報告書

Notes:

1. Strategic Media International Limited is wholly owned by Mr. QIN Hui.
2. These 1,000,000,000 underlying shares are derived from the 1.5% HK\$50,000,000 convertible note issued by the Company to Strategic Media International Limited on 30 April 2005 for a term of 2 years convertible into shares at the conversion price of HK\$0.05 per shares.
3. Kingsway Lion Spur Technology Limited ("KLST") is a wholly-owned subsidiary of Festival Developments Limited ("FDL"). FDL is a wholly-owned subsidiary of Kingsway China Holdings Limited ("KCH"). KCH is a wholly-owned subsidiary of SW Kingsway Capital Holdings Limited ("SWK"), the entire issued share capital of which is listed on the Main Board. SWK is a non-wholly owned subsidiary of World Developments Limited ("WDL"). WDL is a wholly-owned subsidiary of Innovation Assets Limited ("IAL"). IAL is a wholly-owned subsidiary of Kingsway International Holdings Limited ("KIH"), which is listed on the Toronto Stock Exchange. By virtue of the SFO, FDL, KCH, SWK, WDL, IAL and KIH are deemed to be interested in all the Shares in which KLST is interested.

Mr. LAM Ka Chung William and Madam LAM Wong Yuk Sin Mary, the spouse of Mr. Lam, hold more than one-third interest in KIH. By virtue of the SFO, both Mr. and Madam Lam are deemed to be interested in all the Shares in which KIH is interested.

Mr. CHOI Koon Shum Jonathan holds more than one-third interest in KIH. By virtue of the SFO, Mr. Choi is deemed to be interested in all the Shares in which KIH is interested. Madam KWAN Wing Kum Janice, the spouse of Mr. Choi, is deemed to be interested in all the Shares in which Mr. Choi is interested.

4. Mr. JIAO Erli, SINA Corporation and Mr. PENG Chi Hui are independent third parties (as defined in the GEM Listing Rules).

Save as disclosed above, as at 31 March 2008, the Directors are not aware of any other person or corporation having an interest or short position in the shares and underlying Shares of the Company that was required to be recorded in the register under Section 336 of the SFO.

附註：

1. Strategic Media International Limited由覃輝先生全資擁有。
2. 此等1,000,000,000股相關股份乃衍生自本公司於二零零五年四月三十日向Strategic Media International Limited發出為期兩年的1.5%港幣50,000,000元可以換股價每股港幣0.05元換取股份的可換股票據。
3. Kingsway Lion Spur Technology Limited (「KLST」)乃Festival Developments Limited (「FDL」)之全資附屬公司。FDL乃Kingsway China Holdings Limited (「KCH」)之全資附屬公司。KCH乃匯富金融控股有限公司(「匯富金融」)之全資附屬公司，匯富金融之全部已發行股本於主機板上市。匯富金融乃World Developments Limited (「WDL」)之非全資附屬公司。WDL乃Innovation Assets Limited (「IAL」)之全資附屬公司。IAL乃於多倫多證券交易所上市之Kingsway International Holdings Limited (「KIH」)之全資附屬公司。根據證券及期貨條例，FDL、KCH、匯富金融、WDL、IAL及KIH均被視為於KLST擁有權益之所有股份中擁有權益。

林家聰先生及林黃玉羨女士(林先生之配偶)持有KIH三分之一以上之權益。根據證券及期貨條例，林先生及林女士均被視為於KIH擁有權益之所有股份中擁有權益。

蔡冠深先生持有KIH三分之一以上之權益。根據證券及期貨條例，蔡先生被視為於KIH擁有權益之所有股份中擁有權益。關穎琴女士(蔡先生之配偶)被視為於蔡先生擁有權益之所有股份中擁有權益。

4. JIAO Erli先生、SINA Corporation及彭熾輝先生乃獨立協力廠商(定義見創業板上市規則)。

除上文所披露者外，於二零零八年三月三十一日，就董事所知悉，概無任何其他人士或公司於須根據證券及期貨條例第336條之登記冊須予記錄之本公司股份及相關股份中擁有權益或淡倉。

Directors' Report

董事會報告書

DIRECTORS' INTEREST IN CONTRACT

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, which directly or indirectly, subsisted at 31 March 2008 or any time during the year.

COMPETING INTERESTS

None of Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which cause or may cause significant competition with the business of the Group.

CONVERTIBLE NOTE

Details of convertible note of the Group are set out in note 27 to the financial statements.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rule 5.34 of the GEM Listing Rules concerning Board practices and procedures throughout the year.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

PURCHASE, SALE AND REDEMPTION OF LISTING SECURITIES

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

董事於合約之權益

本公司或其任何附屬公司概無訂立本公司董事直接或間接擁有重大權益並於二零零八年三月三十一日或年內任何時間仍然有效之重要合約。

構成競爭之權益

董事或本公司管理層股東(定義見創業板上市規則)概無於與本集團業務構成重大競爭或可能構成重大競爭之業務中擁有權益。

可換股票據

本集團之可換股票據詳列於財務報表附註27。

董事會之常規及程式

年內，本公司一直遵守創業板上市規則第5.34條有關董事會之常規及程式。

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條作出之年度確認，確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

購入、出售及贖回上市證券

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司之任何上市證券。

Directors' Report

董事會報告書

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set forth on page 136 of this annual report.

AUDIT COMMITTEE

An Audit Committee was established to review the Group's financial reporting, internal controls, corporate governance and risk management matters and to make relevant recommendation to the Board. The Audit Committee comprises all of the independent non-executive Directors, namely, Messrs. WONG Ching Yip (as the chairman of the Audit Committee), HUNG Yat Ming, JIANG Jin Sheng and KONG Tze Wing.

During the year, the Audit Committee performed duties including reviewing the Group's financial statements, audit findings, external auditors' independence and the Group's accounting principles and practices.

The Group's annual results for the year ended 31 March 2008 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the financial statements of the Company and the Group for the year ended 31 March 2008 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float throughout the year ended 31 March 2008.

五年財務摘要

本集團於過去五個財政年度之資產及負債摘要詳列於本年報之136頁。

審核委員會

審核委員會成立以審閱本集團之財務報告、內部監控、企業管治及風險管理事項，並向董事會作出相關之建議。審核委員會包括所有獨立非執行董事，即王正曄先生（為審核委員會主席）、洪日明先生、姜進生先生及江子榮先生。

於本年度期間，審核委員會擔任之職務包括審閱本集團之財務報表、審計結果、外部核數師之獨立性及本集團之會計原則及常規。

本集團截至二零零八年三月三十一日止年度之年度業績已由審核委員會審閱。審核委員會認為，本公司及本集團截至二零零八年三月三十一日止年度之財務報表已遵守適當之會計準則、創業板上規規則及已作出適當之披露。

足夠公眾持股量

本公司於截至二零零八年三月三十一日止整個年度內均維持足夠之公眾持股量。

Directors' Report

董事會報告書

PRE-EMPTIVE RIGHTS

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

POST BALANCE SHEET EVENTS

Details of the significant subsequent events are set out in note 36 to the financial statements.

AUDITORS

The financial statements were audited by CCIF CPA Limited.

A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. CCIF CPA Limited as auditors of the Company.

SMI Publishing Group Limited

Yu Wai Ying Sammy

Director

Hong Kong, 5 February 2009

優先購股權

根據本公司之組織章程細則及開曼群島之法例，並無優先購股權之條款迫使本公司向現有股東提供按股份比例配售的新股份。

結算日後事項

結算日後之重大事項詳列於財務報表附註36。

核數師

財務報表經由陳葉馮會計師事務所有限公司審核。

本公司將於應屆股東週年大會上提呈一項決議案，續聘陳葉馮會計師事務所有限公司為本公司核數師。

星美出版集團有限公司

董事

余懷英

香港，二零零九年二月五日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in enhancing the shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2008, the Company was in compliance with the code provisions as set out in Appendix 15: "The Code on Corporate Governance Practices" (the "CG Code") of the GEM Listing Rules, except for the following:

1. Due to practical reasons, 14 days' advanced notifications have not been given to all meetings of the board of Directors of the Company (the "Board"). Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavours to give 14 days' advanced notifications of board meeting to the extent practicable (Code Provisions A.1.3);
2. The Group has commenced to review its internal control systems in September 2007 which is still in progress. The review is aimed at designing appropriate internal control policies and procedures for the Group with a view to ensure compliance of the GEM Listing Rules as well as the Principles and Code Provision (Code Provision C.2.1);

本公司致力維持良好之企業管治標準及程序，以確保披露事項之完整性、透明度及質素，從而提高股東價值。

企業管治常規守則

截至二零零八年三月三十一日止年度內，本公司一直遵守創業板上市規則附錄15：「企業管治常規守則」（「企業管治守則」）所載之守則條文，惟下文所列者除外：

1. 由於實際因素，未能就本公司董事會（「董事會」）的所有會議給予十四天之提前知會。因在不可行的情況下而未能給予十四天之提前知會的有關董事會會議，在該等會議的知會內以給予理由，董事會將竭盡所能就董事會會議給予十四天提前知會（守則條文A.1.3）；
2. 本集團於二零零七年九月已開始檢視其內部監控制度，而該檢視仍在進行中。該檢視的目的是要為本集團編制合適的內部監控政策及程序，以確保遵守創業板上市規則及守則條文（守則條文C.2.1）；

Corporate Governance Report

企業管治報告

3. The Board has engaged an independent consultant to conduct a review of the internal control system of the Group and to assist the Group to design appropriate internal control policies and procedures with a view to ensure compliance of the GEM Listing Rules as well as the Principles and Code Provision (Code Provision C.2.1);
 4. Non-executive Directors were not appointed for a specific term but were subject to retirement at the first general meeting after their appointment and thereafter to retirement by rotation at least once every three years and in accordance with the Articles (Code Provision A.4.1);
 5. No nomination committee was established to review the structure, size and composition of the board on a regular basis (Code Provision A.4.4).
3. 董事會已聘請獨立顧問對本集團內部監控制度進行審閱，並協助本集團編制合適的內部監控政策及程序，以確保本集團遵守創業板上市規則及守則條文(守則條文C.2.1)；
 4. 非執行董事並非按指定日期委任，但須於在其獲委任後首次召開之股東大會上告退，其後須按公司章程細則最少每三年告退一次(守則條文A.4.1)；
 5. 本公司沒有成立提名委員會以用作定期審查董事會之架構，規模及組織成員(守則條文A.4.4)。

Save as those mentioned above, in the opinion of the Directors, the Company has met with the code provisions as set out in the CG Code during the year ended 31 March 2008.

除上文所述者外，董事認為，本公司於截至二零零八年三月三十一日止年度已遵守企業管治守則所載之守則條文。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by Directors as set out in Rules 5.48 to 5.69 of the GEM Listing Rules. All of the Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules.

董事買賣證券交易

本公司已採納創業板上市規則第5.48至5.69條所載董事進行證券交易之規定標準。全體董事均已確認，彼等一直遵守創業板上市規則所載之規定標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The senior management were delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval of the Board. In addition, the Board has also delegated various responsibilities to the Board Committees. Further details of these committees are set out in this report.

The Board currently consists of eight Directors including four executive Directors and five independent non-executive Directors:

Executive Directors

Mr. QIN Hong (*Chairman*)
Mr. YU Wai Ying, Sammy (*Chief Executive Officer*)
Mr. WANG Fei
Mr. Wong Yue Kwan, Alan

Independent non-executive Directors

Mr. JIANG Jin Sheng
Mr. KONG Tze Wing
Mr. Wong Ching Yip
Mr. Hung Yat Ming

董事會

董事會負責領導及控制本公司，並掌管本集團業務、策略決定及表現。董事會授予高級管理層負責本集團日常營運之職權及職責，惟若干重要事項須經董事會批准。此外，董事會亦授權其下屬委員會履行多項職責。有關該等委員會之進一步詳情載於本報告。

董事會現時由八名董事組成，包括四名執行董事及五名獨立非執行董事：

執行董事

覃 宏先生 (*主席*)
余懷英先生 (*行政總裁*)
王 飛先生
王裕鈞先生

獨立非執行董事

姜進生先生
江子榮先生
王正曄先生
洪日明先生

Corporate Governance Report

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The Board members have no financial, business, family or other material or relevant relationships with each other. A balanced Board composition is formed to ensure the existence of a strong independency across the Board and to meet with the recommended practice under the CG Code for the Board to have at least one-third of its members comprises of independent non-executive Directors. The biographical information of the Directors are set out on page 6 of the annual report under the section headed "Biographical Information of Directors".

Chairman and Chief Executive Officer

The two positions are held separately by two individuals to ensure their respective independencies, accountabilities and responsibilities. Mr. QIN Hong, being the Chairman, is in-charge with the leadership of the Board and strategies planning of the Group. Mr. Yu Wai Ying, Sammy, being the Chief Executive Officer, being, is responsible for the day-to-day management of the Group's business.

Independent non-executive Directors

The four independent non-executive Directors are persons of high calibre. With their experiences gained from various sectors, they provide strong supports towards the effective discharge of their duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

董事會成員之間概無財務、業務、家庭或其他重大或相關關係。組成一個均衡的董事會是要確保董事會之高度獨立性，並符合企業管治守則對董事會成員須最少三分之一為獨立非執行董事之建議常規。董事資料載於年報第6頁「董事資料」一節。

主席及行政總裁

該兩個職位由兩名人士分別擔任，確保彼等各自之獨立性、問責性及負責制。主席覃宏先生負責領導董事會及本集團之策略規劃；行政總裁余懷英先生負責本集團業務之日常管理。

獨立非執行董事

四名獨立非執行董事均為才能卓越之人士。憑藉彼等於各行各業累積之經驗，可為有效履行董事會之職務及職責提供強大支援。各獨立非執行董事已就其獨立性向本公司發出年度確認書，而本公司認為彼等均屬創業板上市規則第5.09條項下之獨立人士。

Corporate Governance Report

企業管治報告

The independent non-executive Directors are not appointed for a specific term but are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles.

獨立非執行董事並非按指定任期委任，惟須於其獲委任後召開之首次股東大會上告退，其後根據細則須每三年至少輪值告退一次。

Board Meetings

There were total of 28 Board meetings held during the year. Attendance of individual Directors at Board meetings held during the year:

董事會會議

董事會於年內曾舉行28次會議。個別董事於年內出席會議如下：

Name of Director	董事姓名	Number of attendance	出席次數
Mr. QIN Hong (Note 1)	覃宏先生(附註1)	4/8	
Mr. WANG Fei (Note 2)	王飛先生(附註2)	6/8	
Mr. HAO Bin (Note 3)	郝彬先生(附註3)	0/5	
Mr. SHI Bin Hai (Note 4)	施濱海先生(附註4)	7/8	
Mr. YAN Chun (Note 5)	閔春先生(附註5)	0/8	
Mr. JIANG Jin Sheng (Note 6)	姜進生先生(附註6)	2/7	
Mr. KONG Tze Wing (Note 7)	江子榮先生(附註7)	4/7	

Notes:

附註：

- | | | | |
|---|---|---|--|
| 1 | Mr. QIN Hong was appointed as Chairman and executive director on 13 April 2006. | 1 | 覃宏先生於二零零六年四月十三日獲委任為主席及執行董事。 |
| 2 | Mr. WANG Fei was appointed as executive director on 25 July 2006. | 2 | 王飛先生於二零零六年七月二十五日獲委任為執行董事。 |
| 3 | Mr. HAO Bin was appointed as executive director and chief executive officer on 12 May 2006 and resigned on 10 October 2007. | 3 | 郝彬先生於二零零六年五月十二日獲委任為執行董事及行政總裁，及於二零零七年十月十日辭任執行董事及行政總裁。 |
| 4 | Mr. SHI Bin Hai was appointed as independent non-executive director on 6 April 2004 and resigned on 13 August 2008. | 4 | 施濱海先生於二零零四年四月六日獲委任為獨立非執行董事，及於二零零八年八月十三日辭任獨立非執行董事。 |

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5 Mr. YAN Chun was appointed as independent non-executive director on 29 September 2004 and resigned on 25 April 2008.

6 Mr. Jiang Jin Sheng was appointed as independent non-executive director on 20 April 2007.

7 Mr. KONG Tze Wing was appointed as independent non-executive director on 20 April 2007.

5 閻春先生於二零零四年九月二十九日獲委任為獨立非執行董事，及於二零零八年四月二十五日辭任獨立非執行董事。

6 姜進生先生於二零零七年四月二十日獲委任為獨立非執行董事。

7 江子榮先生於二零零七年四月二十日獲委任為獨立非執行董事。

The Company planned in advance four scheduled Board meetings a year at approximately quarterly intervals in order to make sure all Directors could plan in advance their availabilities to attend the scheduled Board meetings. Additional meetings will be held as and when required.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

INTERNAL CONTROL

The Board is entrusted with an overall responsibility of devising the Company's system of internal controls and conducting an annual review of its effectiveness. This ensures that the Board oversees and monitors the Group's overall financial position so that the interests of the shareholders are well protected and covered. The system of internal controls covers the areas of financial, operational, compliance and risk management of the Group's business.

本公司預先計劃每年大約按四個季度舉行四次預定董事會會議，以確保全體董事可提早計劃出席預定董事會會議。本公司將於需要時舉行額外會議。

董事會會議記錄由公司秘書保存，並可供董事查閱。每名董事會成員均有權查閱董事會文件及相關資料，亦可在不受限制下取得公司秘書之意見及享用其服務，並可於需要時自行尋求外界專業意見。

內部監管

董事會已被委任負責制定本公司之內部監控制度，並對其效用進行年度審查，確保董事會能監管本集團整體的財政狀況，以保障股東們的利益。內部監控制度覆蓋本集團在財務、營運、法規遵守及風險管理各方面的業務。

Corporate Governance Report

企業管治報告

With respect to procedures and internal controls for the handling of and dissemination of price-sensitive information:

- the Group is fully aware of its obligations under the GEM Listing Rules;
- the Group conducts its affairs with close regards to the “Guide on Disclosure of Price-sensitive information” issued by the Stock Exchange; and
- through channels such as financial reporting and public announcements, the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusionary distribution of information to the public.

AUDIT COMMITTEE

The Company has an audit committee (“Audit Committee”) with written terms of reference. The Audit Committee currently comprises four independent non-executive Directors, namely, Messrs. WONG Ching Yip (as the chairman of the Audit Committee), HUNG Yat Ming, JIANG Jin Sheng and KONG Tze Wing.

The main functions of the Audit Committee is to recommend to the Board on the appointment, reappointment and removal of the external auditors; to approve the remuneration and terms of engagement of the external auditors as well as any questions of resignation or dismissal of such auditors; to review the quarterly, interim and annual reports and accounts of the Group; and to oversee the Company’s financial reporting system and internal control procedures.

The Group’s audited financial results for the twelve months ended 31 March 2008 have been reviewed by the Audit Committee. Terms of reference adopted by the Audit Committee are aligned with the code provisions set out in the CG Code.

有關處理及發放股價敏感資料之程序及內部監控：

- 本集團充分了解在創業板上市規則下之責任；
- 本集團密切依據聯交所發出之「股價敏感資料披露指引」處理有關事務；及
- 本集團透過財務報告及公告等渠道，實行公平地向公眾發放資訊之政策。

審核委員會

本公司已成立審核委員會（「審核委員會」），並訂定書面職權範圍。審核委員會現由四名獨立非執行董事組成，名為，王正擘先生（為審核委員會主席）、洪日明先生、姜進生先生及江子榮先生。

審核委員會主要負責就委任、續聘及罷免外聘核數師及批准外聘核數師之酬金及委聘條款以及有關核數師辭任或罷免之任何問題向董事會提供推薦建議；審閱本集團之季報、中期及年度報告與帳目；及監察本公司之財務申報制度與內部監控程序。

審核委員會已審閱本集團截至二零零八年三月三十一日止十二個月之已審核業績報告。審核委員會所採納之職權範圍符合企業管治守則所載條文。

Corporate Governance Report

企業管治報告

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the media industry and/or other professional area.

Furthermore, as the full Board is responsible for the selection and approval of candidate for appointment as Director to the Board, therefore the Company has not established a nomination committee for the time being.

REMUNERATION OF DIRECTORS

The Company established the remuneration committee ("Remuneration Committee") on 27 July 2005.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the remuneration system of the Company with written terms of reference. The Remuneration Committee currently comprises four independent non-executive Directors, namely, Messrs. WONG Ching Yip (as the chairman of the Remuneration Committee), HUNG Yat Ming, JIANG Jin Sheng and KONG Tze Wing.

During the year under review, no Remuneration Committee meeting has been held.

The Company adopted a share option scheme on 15 January 2002. The purpose of the share option scheme is to enable the Board, at its discretion, to grant options to eligible participants, including the Directors, as incentives or rewards for their contributions to the Group.

Details of the share option scheme are set out in the Directors' Report and note 31 to the financial statements. Details of the Directors' remuneration are set out in note 12 to the financial statements.

提名董事

於考慮提名新董事時，董事會將計及候選人士之資歷、才能、工作經驗、領導能力及專業操守，特別是彼等於傳媒業及／或其他專業範疇之經驗。

此外，由於董事會全權負責甄選及批准委任加盟董事會之人選，因此本公司現時並無成立提名委員會。

董事酬金

本公司於二零零五年七月二十七日成立薪酬委員會（「薪酬委員會」）。

薪酬委員會主要負責就本公司之薪酬制度向董事會提供推薦意見，並以書面形式作為參考。薪酬委員會現由四名獨立非執行董事組成，包括王正擘先生（為薪酬委員會主席）、洪日明先生、姜進生先生及江子榮先生。

於回顧年度，薪酬委員會沒有召開任何會議。

本公司於二零零二年一月十五日採納一項購股權計劃。購股權計劃旨在讓董事會能夠酌情向任何合資格參與者（包括董事）授出購股權，作為彼等對本集團作出貢獻之獎勵或回報。

有關購股權計劃之詳情載於董事會報告書及財務報表附註31。有關董事酬金之詳情載於財務報表附註12。

Corporate Governance Report

企業管治報告

AUDITORS' REMUNERATION

During the year under review, the remuneration in respect of audit and non-audit services provided by the Company's auditor, is set out below:

Services rendered	所提供服務	Fee paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services	審計服務	900
Non-audit services	非審計服務	48

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial year which give a true and fair view of the state of affairs of the Company and in representing the quarterly and annual financial statements, and announcements to shareholders, the Directors aims to present a balanced and understandable assessment of the Company's position and prospects.

The Directors' responsibilities in preparing financial statements and the auditors' responsibilities are set out in the Auditors' Report on pages 32 and 36 of this annual report respectively.

核數師酬金

於回顧年度，有關本公司核數師所提供之審核服務及非審核服務之酬金載列如下：

董事對財務報表之責任

董事會承認其就各財政期間編製本公司財務報表之責任，能真確及公平地呈現本公司之狀況。在發表季度及年度的財務報表及給股東們的公告，董事致力呈示對本公司的現況和展望作出一個持平及可以理解的評估。

董事於編製財務報表之責任及核數師之責任載列於本年報第32頁至36頁之核數師報告書中。

Independent Auditor's Report

獨立核數師報告書



CCIF

CCIF CPA LIMITED

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SMI PUBLISHING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of SMI Publishing Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 135, which comprise the consolidated and Company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of 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.

致星美出版集團有限公司全體股東之獨立核數師報告書

(於開曼群島註冊成立之有限公司)

本行已完成審核載於第37頁至第135頁之星美出版集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零零八年三月三十一日之綜合資產負債表及貴公司資產負債表及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、以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

貴公司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香港《公司條例》之披露規定編製及真實而公允地列報該等財務報表。責任包括設計、實施及維護與編製，及真實而公允地列報財務報表相關之內部控制，以使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。

Independent Auditor's Report

獨立核數師報告書

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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.

Except for the limitations in the scope of our work as explained below, 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. However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

(1) Scope limitation – Prior year's audit scope limitation affecting opening balance and comparative figures

As shown in our previous independent auditor's report, we made qualifications on the Group's audited consolidated financial statements for the year ended 31 March 2007 on our disagreement with the Group's accounting treatment in its financial statements for the year ended 31 March 2006 of consolidating 東方魅力資訊科技股份有限公司(「東方魅力」) and the effects on the balances brought forward as at 1 April 2006 and the comparative figures included in the 2007 financial statements. As disclosed in note 29(b) to the financial statements, the Group deconsolidated 東方魅力 on 1 April 2006 and recognised a gain of approximately HK\$2,225,000.

核數師之責任

本行之責任是根據本行之審核對財務報表發表意見。本報告僅向閣下作為法人團體而報告。除此以外，本報告書不可用作其他用途。本行概不會就本報告書之內容，對任何其他人士負責或承擔法律責任。

除了以下所闡述之本行審核範圍限制外，本行已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求本行遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。然而，由於拒絕發表意見聲明之基礎段落所載之事宜，本行無法獲得充分恰當之審核證據以作為審核意見之依據。

拒絕發表意見聲明之基礎

(1) 範圍限制—影響起始結餘及比較數據之去年審核範圍限制

誠如本行往年之獨立核數師報告書所載，本行基於對將東方魅力資訊科技股份有限公司(「東方魅力」)綜合計入截至二零零六年三月三十一日止年度之財務報表之會計處理意見分歧，以及於二零零六年四月一日結轉之結餘及二零零七年財務報表內之比較數字之影響，已就貴集團於截至二零零七年三月三十一日止年度之經審核綜合財務報表作出保留意見。誠如本行於本財務報表附註29(b)所披露，貴集團於二零零六年四月一日終止將東方魅力綜合入賬，並確認收益約港幣2,225,000元。

Independent Auditor's Report

獨立核數師報告書

BASIS FOR DISCLAIMER OF OPINION (Continued)

拒絕發表意見聲明之基礎(續)

(2) Scope limitation – Insufficient evidence for certain expenditures

Loss for the year has been arrived at after charging legal and professional fees of approximately \$952,000 and transportation charges of \$1,159,000 in respect of which we have not been provided with sufficient appropriate evidences to enable us to verify the correctness and fairness of these expenditures. Accordingly, we are unable to satisfy ourselves as to whether these expenditures are fairly stated in the consolidated financial statements.

(2) 範圍限制 – 若干開支證據不足

有關扣除法律及專業費用約港幣952,000元及交通費用港幣1,159,000元後計算所得之年度虧損，本行並無獲提供足夠之合適證據讓本行能核實該等開支之準確性及公平性。因此，本行未能信納該等開支於綜合財務報表是否已公平地呈列。

(3) Material uncertainties relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which describes the liquidity issues and financial difficulties experienced by the Group and the proposed measures to be taken by the Group to ensure that adequate cash resources are available to the Group. Specifically, the Group is dependent upon the continuing financial support of a substantial shareholder. On the assumption that there will be successful outcome of the measures proposed to be taken the directors consider that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future.

(3) 有關持續經營基準之重大不明朗因素

在編製本行意見時，本行已考慮在綜合財務報表附註2內有關闡述 貴集團所遭遇之流動性問題及財務困難，以及 貴集團為確保取得充足現金資源建議採取措施之披露是否足夠。尤其 貴集團依賴一名主要股東之持續財政支持。基於假設建議採取之措施將順利取得成果，故董事認為 貴集團將可完全應付彼等於可預見未來面對之財務承擔。

Independent Auditor's Report

獨立核數師報告書

BASIS FOR DISCLAIMER OF OPINION (Continued)

(3) Material uncertainties relating to the going concern basis (Continued)

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the continuing financial support from a substantial shareholder and the successful outcome of the proposed measures to ensure that adequate cash resources are available to meet the Group's future working capital and funding requirements. The financial statements do not include any adjustments that may be necessary should the implementation of the proposed measures be unsuccessful. We consider that appropriate disclosures have been made. However, in view of the material extent of the uncertainties relating to the proposed measures and the availability of continuing financial support from a substantial shareholder that may cast significant doubt on the Group's ability to continue as a going concern, we have disclaimed our opinion. The consolidated financial statements do not include any adjustments that would be necessary if the proposed measures fail to achieve their planned results.

We were unable to carry out alternative audit procedures to satisfy ourselves as to the matters set out in paragraphs (1) to (3) above.

Any adjustment that might have been found to be necessary in respect of the matters set out in paragraphs (1) to (3) would have a consequential effect on the financial positions of the Group and the Company as at 31 March 2008, the net loss and cash flows of the Group for the year then ended and the related disclosures in the financial statements.

拒絕發表意見聲明之基礎 (續)

(3) 有關持續經營基準之重大不明朗因素 (續)

綜合財務報表乃根據持續經營基準而編製，其有效性依賴一名主要股東之持續財政支持以及建議措施能順利取得成果，藉以確保充足現金資源應付 貴集團未來之營運資金及財務需求。財務報表並未包括於未能成功實施建議措施而必需作出之任何調整。本行認為已作出恰當之披露，然而，鑑於 貴集團有關建議措施及從一名主要股東持續獲得財務支持存在不明朗因素，可能令 貴集團以持續基準繼續經營業務之能力成疑，本行拒絕發表意見。綜合財務報表並未包括倘若建議措施未能取得預期成效而必需作出之任何調整。

本行無法進行其他審核程序使本行信納載於上文(1)至(3)段之事宜。

就載於上文(1)至(3)段之事宜可能必需作出之任何調整將對 貴集團及 貴公司於二零零八年三月三十一日之財務狀況，及截至該日期止年度之虧損淨額及現金流量及綜合財務報表內之有關披露帶來重大影響。

Independent Auditor's Report

獨立核數師報告書

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY CONSOLIDATED FINANCIAL STATEMENTS

Because of the significance of (i) the effects of the scope limitation in evidence made available to us in each of the areas as set out in paragraphs (1) to (2) in the basis for disclaimer of opinion paragraph and (ii) the material uncertainties relating to the going concern basis, we do not express an opinion on the consolidated financial statements as to whether they 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. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants

Hong Kong, 5 February 2009

Sze Chor Chun, Yvonne

Practising Certificate Number P05049

拒絕發表意見聲明：拒絕就綜合財務報表之觀點發表聲明

由於(i)拒絕發表意見聲明之基礎下(1)至(2)段之範圍限制對本行所獲得之證據之影響，及(ii)有關持續經營基準之重大不明朗因素之重要性，本行未能確定綜合財務報表是否按照香港財務報告準則真實兼公平地反映 貴公司及 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。我們認為綜合財務報表在各其他方面已根據香港公司條例之披露規定妥善編製。

陳葉馮會計師事務所有限公司

執業會計師

香港，二零零九年二月五日

史楚珍

執業證書編號 P05049

謹啟

Consolidated Income Statement For the year ended 31 March 2008

綜合收益表 截至二零零八年三月三十一日止年度

		Note	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		附註		
Turnover	營業額	7	48,558	67,754
Cost of sales	銷售成本		(69,022)	(101,356)
Gross loss	虧損毛額		(20,464)	(33,602)
Other revenue	其他收益	8	2,522	3,067
Other net income	其他淨收入	8	34,865	2,801
Distribution costs	發行成本		(617)	(2,162)
Administrative and other operating expenses	行政及其他營運開支		(41,320)	(39,082)
Loss from operations	經營虧損		(25,014)	(68,978)
Finance costs	財務成本	9(a)	(26,413)	(24,213)
Share of result of an associate	分佔一間聯營公司業績	10	(138)	(579)
Loss before taxation	除稅前虧損	9	(51,565)	(93,770)
Income tax	所得稅	11(a)	900	(11,075)
Loss for the year	年度虧損		(50,665)	(104,845)
Attributable to	下列人士應佔			
– Equity shareholders of the Company	– 本公司權益股東		(50,665)	(104,845)
Dividend	股息		–	–
Loss Per Share	每股虧損	15		
Basic	基本		(5.11) cents 仙	(10.57) cents仙
Diluted	攤薄		N/A 不適用	N/A 不適用

The notes on pages 43 to 135 form part of these financial statements.

第43頁至135頁之附註為本財務報表之一部份。

Consolidated Balance Sheet As at 31 March 2008

綜合資產負債表 於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	17		
– Other property, plant and equipment	– 其他物業、 廠房及設備		4,545	18,965
– Interest in leasehold land held for own use under operating lease	– 根據經營租賃持作 自用之租賃 土地權益		117	120
			4,662	19,085
Interest in an associate	於一間聯營公司權益	19	–	138
			4,662	19,223
CURRENT ASSETS	流動資產			
Inventories	存貨	20(a)	396	946
Trade and other receivables	貿易及其他應收款項	21	5,799	10,527
Cash and cash equivalents	現金及現金等值項目	22	565	2,026
			6,760	13,499
CURRENT LIABILITIES	流動負債			
Borrowings	借貸	25	42,455	12,410
Obligations under finance leases	融資租賃承擔	26	–	150
Convertible note	可換股票據	27	–	49,005
Trade and other payables	貿易及其他應付款項	23	40,513	46,522
Current taxation	本年度稅項	24(a)	12,274	10,961
			(95,242)	(119,048)
NET CURRENT LIABILITIES	流動負債淨額		(88,482)	(105,549)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		(83,820)	(86,326)
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸	25	185,945	164,128
Convertible note	可換股票據	27	27,552	–
Deferred tax liabilities	遞延稅項負債	24(b)	3,928	2,214
			(217,425)	(166,342)
NET LIABILITIES	負債淨額		(301,245)	(252,668)
CAPITAL AND RESERVES	資本及儲備	28(a)		
Share capital	股本		49,584	49,584
Reserves	儲備		(350,829)	(302,252)
CAPITAL DEFICIENCY	資本虧絀		(301,245)	(252,668)

Approved and authorised for issue by the board of directors on 5 February 2009

於二零零九年二月五日獲董事會批准及授權刊發

Yu Wai Ying Sammy
余懷英
Director
董事

Wong Yue Kwan Alan
王裕鈞
Director
董事

The notes on pages 43 to 135 form part of these financial statements.

第43頁至135頁之附註為本財務報表之一部份。

Balance Sheet As at 31 March 2008

資產負債表 於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司權益	18	7	403
CURRENT ASSETS	流動資產			
Other receivables	其他應收款項	21	–	100
Cash and cash equivalents	現金及現金等值項目	22	16	1,228
			16	1,328
CURRENT LIABILITIES	流動負債			
Borrowings	借貸	25	31,045	11,000
Convertible note	可換股票據	27	–	49,005
Due to a subsidiary	應付一間附屬公司款項	18	2,058	249
Other payables	其他應付款項	23	5,386	4,510
Current taxation	本年度稅項	24(a)	184	185
			(38,673)	(64,949)
NET CURRENT LIABILITIES	流動負債淨額		(38,657)	(63,621)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		(38,650)	(63,218)
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸	25	145,814	126,170
Convertible note	可換股票據	27	27,552	–
Deferred tax liabilities	遞延稅項負債	24(b)	3,928	145
			(177,294)	(126,315)
NET LIABILITIES	負債淨額		(215,944)	(189,533)
CAPITAL AND RESERVES	資本及儲備	28(b)		
Share capital	股本		49,584	49,584
Reserves	儲備		(265,528)	(239,117)
CAPITAL DEFICIENCY	資本虧絀		(215,944)	(189,533)

Approved and authorised for issue by the board of directors on 5 February 2009

於二零零九年二月五日獲董事會批准及授權刊發

Yu Wai Ying Sammy
余懷英
Director
董事

Wong Yue Kwan Alan
王裕鈞
Director
董事

The notes on pages 43 to 135 form part of these financial statements.

第43頁至135頁之附註為本財務報表之一部份。

Consolidated Statement of Changes in Equity For the year ended 31 March 2008

綜合權益變動表 截至二零零八年三月三十一日止年度

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
		Share capital	Share premium	Convertible note equity reserve	Shareholders' contribution	Merger reserve	Exchange reserve	Distributable reserve	Fair value reserve	Accumulated losses	Total
		股本	股份溢價	可換股票據權益儲備	股東出資	合併儲備	匯兌儲備	可供分派儲備	公允價值儲備	累積虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2006	於二零零六年四月一日	49,584	127,764	16,432	72,894	121,914	2,347	231,340	(133)	(767,794)	(145,652)
Exchange reserve realised on deconsolidation of a subsidiary	一間終止入賬之附屬公司之匯兌儲備變現	-	-	-	-	-	(2,304)	-	-	-	(2,304)
Changes in fair value of available-for-sale investments	可供出售投資之公允價值變動	-	-	-	-	-	-	-	133	-	133
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(104,845)	(104,845)
At 31 March 2007	於二零零七年三月三十一日	49,584	127,764	16,432	72,894	121,914	43	231,340	-	(872,639)	(252,668)
At 1 April 2007	於二零零七年四月一日	49,584	127,764	16,432	72,894	121,914	43	231,340	-	(872,639)	(252,668)
Adjustment of amortised cost of convertible note	可換股票據攤薄成本調整	-	-	6,016	-	-	-	-	-	-	6,016
Deferred tax liability on recognition of equity component of convertible note	確認遞延稅項負債可換股票據之權益部份	-	-	(3,928)	-	-	-	-	-	-	(3,928)
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(50,665)	(50,665)
At 31 March 2008	於二零零八年三月三十一日	49,584	127,764	18,520	72,894	121,914	43	231,340	-	(923,304)	(301,245)

The notes on pages 43 to 135 form part of these financial statements.

第43頁至135頁之附註為本財務報表之一部份。

Consolidated Cash Flow Statement For the year ended 31 March 2008

綜合現金流量表 截至二零零八年三月三十一日止年度

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
	Note 附註		
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	(51,565)	(93,770)
Adjustments for:	調整：		
Depreciation	折舊	12,525	19,619
Amortisation of land lease premium	租賃土地地價攤銷	3	3
Loss on disposal of available-for-sale investments	出售可供出售投資虧損	–	232
Gain on disposal of subsidiaries	出售附屬公司收益	–	(576)
Gain on deconsolidation of a subsidiary	終止綜合一間附屬公司賬目之收益	–	(2,225)
Gain on adjustment of amortised cost of convertible note	調整可換股票據攤銷成本之收益	(26,638)	–
Interest income	利息收入	(4)	(17)
Finance costs	財務成本	26,413	24,213
Impairment loss on trade receivables	貿易應收款項減值虧損	850	1,788
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(547)	263
Loss on property, plant and equipment written off	撇銷物業、廠房及設備之虧損	2,094	–
(Reversal of provision)/provision for employee benefits	僱員福利之(撥備撥回)/撥備	(7,680)	176
Share of result of an associate	分佔一間聯營公司業績	138	579
Write down of inventories	撇減存貨	323	–
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	營運資金改動前之經營虧損	(44,088)	(49,715)
Decrease in inventories	存貨減少	227	647
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少/(增加)	3,878	(3,428)
Increase in trade and other payables	貿易及其他應付款項增加	1,650	6,846
CASH USED IN OPERATIONS	業務所耗用之現金	(38,333)	(45,650)
Interest paid	已付利息	(2,336)	(21)
Interest received	已收利息	4	17
Tax paid	已付稅項	(1)	–
NET CASH USED IN OPERATING ACTIVITIES	經營活動所耗用之現金淨額	(40,666)	(45,654)

Consolidated Cash Flow Statement For the year ended 31 March 2008

綜合現金流量表 截至二零零八年三月三十一日止年度

			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		Note 附註		
INVESTING ACTIVITIES	投資業務			
Payment for the purchase of property, plant and equipment	購入物業、廠房及設備之付款		(209)	(2,770)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項		557	80
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		–	1,334
Deconsolidation of a subsidiary	終止綜合一間附屬公司賬目	29(b)	–	(6)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	投資活動產生／(耗用)之現金淨額		348	(1,362)
FINANCING ACTIVITIES	融資業務			
Increase in advances from a substantial shareholder	一名主要股東墊款增加		9,096	44,184
Increase in other borrowings	其他借貸增加		53,613	4,279
Repayment of advances from a substantial shareholder	償還一名主要股東墊款		(4,130)	–
Repayment of other borrowings	償還其他借貸		(19,572)	–
Repayment of finance lease	償還融資租賃		(150)	(331)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資業務產生之現金淨額		38,857	48,132
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)／增加		(1,461)	1,116
CASH AND CASH EQUIVALENTS AT 1 APRIL	於四月一日之現金及現金等值項目		2,026	910
CASH AND CASH EQUIVALENTS AT 31 MARCH	於三月三十一日之現金及現金等值項目	22	565	2,026

The notes on pages 43 to 135 form part of these financial statements.

第43頁至135頁之附註為本財務報表之一部份。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

1. GENERAL INFORMATION

SMI Publishing Group Limited (the "Company") is a public limited liability company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

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

The principal activities of the Company and its subsidiaries (the "Group") is the publication of newspapers, magazines and books.

2. BASIS OF PREPARATION – MATERIAL UNCERTAINTIES RELATING TO THE GOING CONCERN BASIS

The Group sustained consolidated loss attributable to equity holders of the Company of HK\$50,665,000 (2007: HK\$104,845,000) for the year ended 31 March 2008. At 31 March 2008, the Group had consolidated net current liabilities and net liabilities of approximately HK\$88,482,000 (2007: HK\$105,549,000) and HK\$301,245,000 (2007: HK\$252,668,000) respectively.

During the current and prior years, the Group experienced financial difficulties and was unable to meet the payment obligations. Various parties took legal actions against the Group to recover amounts due to them (see note 33).

1. 一般資料

星美出版集團有限公司(「本公司」)為於開曼群島註冊成立之上市有限公司，其股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處及主要營業地點之地址披露於年報企業資料部份。

綜合財務報表以本公司之功能貨幣港元呈列。

本公司及其附屬公司(「本集團」)之主要業務為出版報章、雜誌及書籍。

2. 編製基準 – 有關持續經營基準之重大不明朗因素

本集團於截至二零零八年三月三十一日止年度承擔本公司股本持有人應佔綜合虧損港幣50,665,000元(二零零七年：港幣104,845,000元)。於二零零八年三月三十一日，本集團之綜合流動負債淨額及負債淨額分別約為港幣88,482,000元(二零零七年：港幣105,549,000元)及港幣301,245,000元(二零零七年：港幣252,668,000元)。

於本年度及過往年度，本集團遭受財政困難及未能履行責任之付款。多方人士曾向本集團提出法律訴訟追討償還應付予彼等之款項(見附註33)。

2. BASIS OF PREPARATION – MATERIAL UNCERTAINTIES RELATING TO THE GOING CONCERN BASIS (Continued)

In view of the liquidity problems faced by the Group, the directors planned to adopt the following proposed measures with the view to improve the Group's financial and cash flow position and to maintain the Group's existence on a going concern basis:

- (a) the directors have sought financial support from a substantial shareholder to provide adequate funds for the Group to meet its liabilities as they fall due, both present and future;
- (b) the directors have identified and have been negotiating with potential investors for proposed capital injection arrangements; and
- (c) the directors have adopted various cost control measures to reduce general administrative expenses and operating costs.

In the opinion of the directors, upon successful implementation of these measures, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to achieve the above and fail to continue in business as a going concern, adjustments would have to be made to restate the values of the assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the financial statements.

2. 編製基準 – 有關持續經營基準之重大不明朗因素 (續)

有鑑於本集團所面對之流動資金問題，董事已計劃採取以下建議措施改善本集團之財務及現金流量狀況，以及維持本集團按持續經營基準繼續經營：

- (a) 董事已向其主要股東尋求財務支持，提供充足之資金予本集團以應付其於現在及未來到期之負債；
- (b) 董事已識別及與潛在投資者協商任何建議之注資安排；及
- (c) 董事已採取多項成本控制措施以減少一般行政開支及營運成本。

董事認為，待成功實行該等措施後，本集團將擁有充足之現金資源滿足其未來之營運資金及其他融資需要。因此，董事認為財務報表按持續經營基準編製乃恰當的。

倘若本集團未能達成上述措施或無法按持續經營基準繼續經營業務，財務報表則需要作出調整，重列其資產之價值至即時可收回款額，藉以為任何可能進一步產生之負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。該等調整之影響並未反映於財務報表中。

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 April 2007.

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

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. 新訂及經修訂香港財務報告準則之應用

於本年度，本集團首次應用香港會計師公會頒佈之下列新訂準則、修訂及詮釋（「新訂香港財務報告準則」），並於本集團自二零零七年四月一日起之財政年度生效。

香港會計準則 第1號(修訂本)	股本披露
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	重新評估內含 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

採納新訂香港財務報告準則並無對本期或過往會計期間編製及呈列業績及財務狀況之方式造成重大影響，因此，無需對上一個期間作出調整。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

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

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 January 2008

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 July 2009

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. 新訂及經修訂香港財務報告準則之應用 (續)

本集團並無提早應用以下已頒佈但仍未生效之新訂及修訂準則或詮釋。

香港會計準則 第1號 (經修訂)	財務報表之呈列 ¹
香港會計準則 第23號 (經修訂)	借貸成本 ¹
香港會計準則 第27號 (經修訂)	綜合及獨立財務報表 ⁴
香港財務報告準則 第2號 (修訂本)	歸屬條款及取消 ¹
香港財務報告準則 第3號 (經修訂)	企業合併 ⁴
香港財務報告準則 第8號	業務分類 ¹
香港 (國際財務報告 詮釋委員會) — 詮釋第12號	服務專營權安排 ²
香港 (國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠計劃 ³
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 — 一定額福利資產之 限制、最低撥款規 定及其相互關係 ²

¹ 於二零零九年一月一日或以後開始之年度期間生效

² 於二零零八年一月一日或以後開始之年度期間生效

³ 於二零零八年七月一日或以後開始之年度期間生效

⁴ 於二零零九年七月一日或以後開始之年度期間生效

本公司董事預期採納該等準則或詮釋將不會對本集團之業績及財務狀況造成重大影響。

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company and other members of the Group.

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

4. 主要會計政策

誠如下列會計政策所述，除若干金融工具以公允價值計量外，綜合財務報表乃按歷史成本法為基準編製。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所創業板證券上市規則及香港公司條例規定之適用披露事項。

綜合基準

綜合財務報表包括本公司及本公司控制之實體(其附屬公司)之財務報表。當本公司擁有控制權管治一間實體之財務及經營政策以獲取來自其業務之利益，便達到控制目的。

綜合收益表包括於年內所收購或出售之附屬公司之業績，由收購生效日期起計或計至有效出售日期為止(如適用)。

附屬公司之財務報表於有需要時作出調整，以使其會計政策與本公司及本集團其他成員公司所用者一致。

本集團內公司間之所有交易、結餘、收入及支出已於綜合賬目時對銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the investor has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

4. 主要會計政策 (續)

投資於聯營公司

聯營公司乃投資者對其有重大影響之實體，但並不是一間附屬公司或於合營企業之權益。

聯營公司之業績及資產與負債乃以會計權益法入賬於該等綜合財務報表。根據權益法，於聯營公司之投資按成本值入賬於綜合資產負債表，並按收購後本集團應佔該聯營公司資產淨值之變動作出調整，扣減任何可識別之減值虧損。倘本集團應佔聯營公司之虧損等於或超過其於該聯營公司之權益（包括任何長期權益，實際構成本集團於該聯營公司之淨投資一部份），則本集團終止確認其應佔之進一步虧損。惟只有本集團代表該聯營公司招致之法律或推定責任或作出之付款，本集團方會就額外應佔虧損作出撥備及確認責任。

當集團實體與本集團聯營公司交易，溢利及虧損會被抵銷至本集團於該相關聯營公司之權益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

Building	4%
Leasehold improvements	15%
Machinery	15%
Furniture, fixtures and equipment	15%
Network and computer equipment	15%
Motor vehicles	15%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

4. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備包括持作生產或提供貨品或服務或作行政用途之樓宇，其乃按成本減其後之累積折舊及累積減值虧損列賬。

折舊乃按物業、廠房及設備項目之估計可使用年期，計及其估計剩餘價值後，按下列比率以直線法撇銷物業、廠房及設備項目之成本計算：

樓宇	4%
租賃物業裝修	15%
機器	15%
傢俬、裝置及設備	15%
網絡及電腦設備	15%
汽車	15%

根據融資租賃持有之資產乃按所擁有資產之相同基準，以其估計可使用年期或以相關租賃年期(以較短者為準)折舊。

當物業、廠房及設備項目於出售時或預期持續使用資產不可產生未來經濟收益時會終止確認。該資產終止確認所產生之任何收益或虧損(以出售所得款項淨額及該項目之賬面值差額計算)包括於該項目終止確認之年度綜合收益表內。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Impairment loss on tangible assets

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

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

4. 主要會計政策 (續)

存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本按先入先出法計算。

有形資產之減值虧損

於各結算日，本集團審核其有形資產之賬面值，以釐定是否顯示該等資產遭受減值虧損。倘若該資產之可撥回金額估計少於其賬面值，該資產之賬面值會撥減至其可撥回金額。該減值虧損即時確認為開支。

當減值虧損於隨後撥回時，該資產之賬面值會增撥至其修訂之估計可撥回金額，惟該增撥之賬面值不可超過於過往年度並未確認減值虧損而釐定之賬面值。該減值虧損撥回即時確認為收入。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4. 主要會計政策 (續)

金融工具

倘集團實體成為工具合約條文之訂約方，財務資產及財務負債將於綜合資產負債表確認。財務資產及財務負債初步按公允價值計量。收購或發行財務資產和財務負債（按公允價值透過損益列賬之財務資產及財務負債除外）直接應佔之交易成本，於初步確認時加入或從財務資產或財務負債（如適用）之公允價值扣除。按公允價值透過損益列賬之財務資產或財務負債直接應佔之交易成本乃即時於損益內確認。

財務資產

本集團之財務資產歸類為貸款及應收款項。所有以正常方式購買或出售之財務資產均按交易日基準確認及終止確認。正常購買或出售乃指須按市場規定或慣例設定之時段內交付之財務資產買賣。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables) are carried at amortised cost using the effective interest method, less any identified impairment losses.

4. 主要會計政策 (續)

金融工具 (續)

實際利率法

實際利率法為於有關期間計算財務資產之攤薄成本及分配利息收入之方法。實際利率為透過財務資產於估計年期或更短期間(如適用)內準確貼現估計未來現金收款(包括所有構成實際利率、交易成本及其他溢價或折讓之組成部份之已付或已收費用)之利率。

債務工具按實際利率基準確認收入。

貸款及應收款項

貸款及應收款項為並無於活躍市場報價之固定或可釐定付款之非衍生財務資產。於初步確認後各結算日，貸款及應收款項(包括貿易及其他應收款項)採用實際利率法按攤銷成本呈列，並扣減任何可識別減值虧損。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default of delinquency in interest or principal payment; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days to 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

4. 主要會計政策 (續)

金融工具 (續)

財務資產之減值

財務資產於各結算日評定有否減值跡象。倘有客觀證據顯示，財務資產之估計未來現金流量因一項或多項於初步確認財務資產後發生之事件而受到影響，則財務資產出現減值。

就可供出售股本投資而言，投資之公允價值之重大或延長下跌低於其成本均被視為減值之客觀證據。

就所有其他財務資產而言，減值之客觀證據可能包括：

- 發行人或對手方出現重大財務困難；或
- 未能繳付或延遲償還利息或本金；或
- 借貸人可能面臨破產或財務重組。

貿易及其他應收款項等被評估為非個別減值之若干財務資產類別，其後按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期三十日至六十日之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策 (續)

金融工具 (續)

財務資產之減值 (續)

就按攤銷成本列賬之財務資產而言，倘有客觀跡象顯示資產出現減值，則於損益確認減值虧損，並按資產之賬面值及估計未來現金流量按初始實際利率貼現之現值之差額計量。

貸款及應收款項之賬面值乃根據減值虧損直接扣減，惟貿易應收款項除外，其賬面值乃透過撥備賬扣減。撥備賬之賬面值變動於損益內確認。倘貿易應收款項被視為無法收回，則從撥備賬撇銷。隨後收回過往撇銷之款項計入損益內。

就按攤銷成本計量之財務資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including other borrowings and trade and other payables) are subsequently measured at amortised cost, using the effective interest method.

4. 主要會計政策 (續)

金融工具 (續)

財務負債及股本

集團實體所發行之財務負債及股本工具根據所訂立合約安排之實際內容及財務負債與股本工具之定義分類。

股本工具為任何可證明在扣減所有負債後於本集團資產擁有剩餘權益之合約。

實際利率法

實際利率法為於有關期間計算財務負債之攤薄成本及分配利息收入之方法。實際利率為透過財務負債於估計年期或更短期間(如適用)內準確貼現未來現金付款之利率。

利息開支按實際利率基準確認。

其他財務負債

其他財務負債(包括其他借貸及貿易及其他應付款項)其後利用實際利率法，以攤薄成本計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Convertible loan notes

Convertible loan notes issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible note equity reserve).

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible note equity reserve until the embedded option is exercised (in which case the balance carried in convertible note equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance carried in convertible note equity reserve will be released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

4. 主要會計政策 (續)

金融工具 (續)

可換股貸款票據

本公司發行之可換股貸款票據所包括之負債及轉換選擇權部份於初步確認時均個別分類為相關項目。轉換選擇權將以固定現金款額或另一項財務資產換取分類為股本工具之本公司本身之固定數目股本工具而結算。

於初步確認時，負債部份之公允價值以類似非可換股債務現時之市場利率釐定。發行可換股貸款票據所得款項毛額與負債部份之公允價值之差額，代表轉換選擇權持有人轉換貸款票據為股本，包括於股本(可換股票據股本儲備)內。

於隨後期間，可換股貸款票據之負債部份乃運用實際利率法按攤薄成本入賬。權益部份(代表選擇權轉換負債部份為本公司之普通股)將保留於可換股票據股本儲備，直至內含選擇權獲行使(於該情況下，可換股票據股本儲備所列示之結餘將轉讓至股份溢價)。當選擇權於期滿日期仍並未獲行使，可換股票據股本儲備入賬之結餘將撥作保留盈利。於選擇權轉換或期滿時，並無收益或虧損於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Convertible loan notes (Continued)

Transaction costs that relates to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Equity instruments

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

4. 主要會計政策 (續)

金融工具 (續)

可換股貸款票據 (續)

有關發行可換股貸款票據之交易成本，會按所得款項毛額分配比例分配至負債及權益部份。有關權益部份之交易成本直接於權益入賬。有關負債部份之交易成本包括於負債部份之賬面值，並於可換股貸款票據期間運用實際利率法攤銷。

股本工具

本公司所發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Equity instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derecognition

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

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

4. 主要會計政策 (續)

金融工具 (續)

股本工具 (續)

財務擔保合約

財務擔保合約乃規定發行人在當特定債務人未能按照債務工具之原有或修訂條款在到期時付款而出現虧損時向持有人作出具體償付之合約。本集團發行而非指定為按公允價值透過損益列賬之財務擔保合約，以其公允價值減發行財務擔保合約直接應佔之交易成本初步確認。於初步確認後，本集團以下列較高者計量財務擔保合約：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初步確認之金額減去根據香港會計準則第18號「收益」而確認之累計攤銷(如適用)。

終止確認

倘自資產收取現金流量之權利屆滿，或財務資產已轉讓且本集團已轉讓該等財務資產所有權之絕大部份風險及回報，則終止確認該等財務資產。於終止確認財務資產時，資產之賬面值與已收及應收代價以及已直接於權益確認之累積收益或虧損總和間之差額，乃於損益內確認。

財務負債於有關合約內規定之責任獲解除、取消或屆滿後終止確認。終止確認之財務負債之賬面值與已付或應付代價間之差額，乃於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

4. 主要會計政策(續)

稅項

所得稅開支代表即期應付稅項及遞延稅項之總和。

即期應付稅項乃以年度之應課稅溢利為基準。應課稅溢利有別於綜合收益表申報之溢利，此乃由於其並不包括於其他年度應課稅或可扣減之收入或開支項目及其進一步不包括不可課稅及扣減之項目。本集團於即期稅項之責任乃使用於結算日已頒佈或大概頒佈之稅率計算。

遞延稅項乃根據於綜合財務報表資產及負債之賬面值與用於計算應課稅溢利之相應稅基之間之差額確認，並使用資產負債表負債法入賬。遞延稅項負債一般確認所有應課稅暫時差額，而遞延稅項資產可能有應課稅溢利用以抵銷可扣減暫時差額時確認。倘該暫時差額乃因商譽或因交易初步確認(業務合併除外)其他資產或負債而產生，而該交易並無影響應課稅溢利及會計溢利，則不會確認有關資產及負債。

除非本集團可控制該暫時差額之撥回且該暫時差額在可預見未來不會撥回，否則遞延稅項負債就於附屬公司及聯營公司之投資所產生之應課稅暫時差額予以確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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 that 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 difference 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.

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

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

4. 主要會計政策 (續)

稅項 (續)

可以用作支持確認由可扣減暫時差額產生之遞延稅務資產之未來應課稅溢利，包括將於現有應課稅暫時差額撥回時將會產生之溢利，惟該等差額須與相同稅務機構及相同應課稅實體有關，並預期在該可扣減暫時差額預期撥回之同一期間或由遞延稅務資產所產生之稅務虧損可以向後或向前結轉之多個期間撥回。同一條件乃採用作釐定現有應課稅暫時差額是否可支持確認未動用稅務虧損及抵免所產生之遞延稅務資產，即只有在與相同稅務機構及相同應課稅實體有關以及預期於稅務虧損或抵免可以動用之一個或多個期間內撥回之情況下，方會計及該等差額。

遞延稅項資產之賬面值乃於各結算日檢討，並在沒可能有足夠應課稅溢利可供收回全部或部份資產時作調減。

遞延稅項乃以負債結算或資產變現期間預期應用之稅率計算。遞延稅項乃扣除至或轉撥往損益，除當相關之項目直接扣除至或轉撥往權益外，於該情況下，遞延稅項亦於權益中處理。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

- (a) Sales of newspapers, magazines and books are recognised when newspapers, magazines and books are delivered and title has passed.
- (b) Advertising revenue is recognised on the relevant publication date of the Group's newspapers and magazines.
- (c) Advertising revenue is also derived from the sales of advertisements and sponsorships on the Group's website. Advertising revenue is recognised over the period in which the advertisements are displayed, provided that no significant obligations remain and collection of the receivable is reasonably assured.
- (d) Interest income from bank deposits is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.
- (e) Services income is recognised when the services are provided.

4. 主要會計政策 (續)

收入確認

收入乃以已收或應收之代價之公允價值計算，並代表於日常業務過程中已售貨品及所提供服務之應收款項，減去折扣及銷售有關稅項。

- (a) 報章、雜誌及書籍之銷售額乃於報章、雜誌及書籍已派送及所有權已轉移時確認。
- (b) 廣告收入乃於本集團之報章及雜誌之有關出版日期確認。
- (c) 廣告收入亦來自銷售廣告及對本集團網站之贊助。此等廣告收入乃於廣告刊登之期間確認，惟並無尚餘任何重大責任及可合理確定可收回應收款項。
- (d) 來自銀行存款之利息收入乃因應尚欠本金及適用之實際利率按時間比例計算。
- (e) 提供服務之收入於提供服務時確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Barter transactions

When goods or services are exchanged or swapped for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue and barter revenue and expenses are recognised. Barter revenue and expenses are measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, barter revenue and expenses are measured at the fair value of the goods or services give up, adjusted by the amount of any cash or cash equivalents transferred.

Equity-settled share-based payment transactions

Share options granted to employees on or before 7 November 2002 or granted after 7 November 2002 and vested before 1 January 2005 – Transitional provisions of HKFRS 2

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

4. 主要會計政策 (續)

以物易物交易

凡貨品或服務交換或換取不類似之貨品或服務，是項交換被視為一項產生收入之交易，並確認該等以物易物收入及開支。以物易物收入及開支乃按所收之貨品或服務之公允價值計量，並經由任何轉讓之現金或現金等值項目款額調整。凡未能可靠地計量所收之貨品或服務之公允價值時，以物易物收入及開支按放棄之貨品或服務之公允價值計量，並以已轉讓之任何現金或現金等值項目款額調整。

權益結算以股份為基礎之付款交易

於二零零二年十一月七日或以前向僱員授出或於二零零二年十一月七日以後授出及於二零零五年一月一日以前歸屬之購股權 – 香港財務報告準則第2號之過渡條款

除非所授出之購股權獲行使，否則有關購股權之財務影響不會記錄於綜合財務報表，亦不會於綜合收益表中就所授出之購股權之價值確認開支。於購股權獲行使時，因此發行之股份乃按股份面值入賬列作額外股本，而每股行使價超逾股份面值之數額乃記錄於股份溢價中。於行使日期前失效或註銷之購股權將從尚未行使購股權登記冊內刪除。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered services entitling them to the contributions.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e., the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases the exchange differences are also recognised directly in equity.

4. 主要會計政策 (續)

退休福利成本

當僱員提供服務而使彼等享有供款時，付予強制性公積金計劃之款項以開支入賬。

外幣

於編製各個別集團實體財務報表時，該實體功能貨幣以外貨幣(外幣)之交易以於交易日期當前之匯率以各自之功能貨幣入賬(即該實體營運之主要經濟環境貨幣)。於各結算日，以外幣結算之貨幣項目以結算日當前之匯率重新換算。按公允價值列賬並以外幣結算之非貨幣項目以公允價值釐定之日期當前之匯率重新換算。以外幣之歷史成本計算之非貨幣項目並未被重新換算。

於結算貨幣項目及於換算貨幣項目產生之匯兌差額，於其產生期間於損益內確認，惟於作為本公司之國外營運投資淨額一部份之貨幣項目產生之匯兌差額除外，該等匯兌差額在綜合財務報表於權益確認。於重新換算按公允價值列賬之非貨幣項目產生之匯兌差額計入於期內之損益，惟重新換算有關直接於權益確認之收益及虧損之非貨幣項目產生之差額(此匯兌差額亦直接於權益確認)除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

Leases

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

4. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團之國外營運資產及負債按結算日當前之匯率被換算為本集團呈列貨幣（即港元），而其收入及開支則按年內平均匯率換算，除非匯率於期內顯著地波動（在此情況下，使用於交易日期當前之匯率）。產生之匯兌差額（如有）確認為權益之獨立組成部份（匯兌儲備）。該等匯兌差額於出售國外營運之期間內於損益確認。

租賃

當租賃條款將絕大部份擁有權之風險及回報轉移至承租人時，該租賃分類為融資租賃。其他所有租賃皆歸類為經營租賃。

本集團作為承租人

根據融資租賃持有之資產以其於成立租賃時之公允價值，或按最低租賃付款之現值（如較低）確認為本集團資產。出租人相應負債包括於綜合資產負債表內之融資租賃責任。租賃付款被分配為財務開支及減少租賃責任，以達到剩餘負債結餘之穩定利率。財務開支已直接計入損益內。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessee (Continued)

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

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

4. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

經營租賃之應付租金以直線法於相關租賃期內從損益中扣除。簽訂經營租賃時，作為優惠之已收及應收利益按直線法確認於租賃期內租金開支之扣減。

租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇之土地及樓宇部份予以獨立考慮，除非租賃付款不能在土地及樓宇部份之間可靠分配，在此情況下，整體租賃一般視作為融資租賃及計入為物業、廠房及設備。倘租賃付款能可靠分配，土地之租賃利息計入為經營租賃。

現金及現金等值項目

現金及現金等值項目包括銀行庫存現金及手頭現金、存入銀行及其他財務機構之活期存款，以及可兌換為已知數額現金之短期高流動性投資，其價值變動風險較低，於收購後三個月內到期。就綜合現金流量表而言，按要求償還且為本集團現金管理重要部份之銀行透支亦計入為現金及現金等值項目之一部份。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if:

- (a) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (b) the Group and the party are subject to common control;
- (c) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (d) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (e) the party is a close family member of a party referred to in (a) or is an entity under the control, joint control or significant influence of such individuals; or
- (f) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. 主要會計政策 (續)

關連人士

就該等財務報表而言，該等人士被視為本集團之關連人士，倘若：

- (a) 該人士有能力，直接或間接透過一間或以上之中介公司控制本集團，或對本集團作出之財務及經營政策決策具有重大之影響力，或對本集團具有共同控制權；
- (b) 本集團及該人士受到共同控制；
- (c) 該人士為本集團之聯營公司或本集團為合營人之合營企業；
- (d) 該人士為本集團或本集團母公司之主要管理人員成員，或為該個人之密切家庭成員，或為受該個人之控制、共同控制或重大影響之實體；
- (e) 該人士為於(a)所指之人士之密切家庭成員，或為受該個人之控制、共同控制或重大影響之實體；或
- (f) 該人士乃作為本集團員工福利之聘用後福利計劃或乃本集團之關連人士之任何實體。

該個人之密切家庭成員乃預期可影響該個人處理實體或受其影響之該等家庭成員。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

All borrowing costs are recognised and included in finance costs in the consolidated income statement in the period in which they are incurred.

Segment reporting

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

Provisions

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. 主要會計政策(續)

借貸成本

所有借貸成本於招致之期間內確認及包括在綜合收益表之財務成本內。

分部呈報

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。地區分部乃於某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報有別於在其他經濟環境下經營之分部。

撥備

當本集團由於過往事件而帶來現有責任，而本集團可能需要結算該等責任，則會確認撥備。撥備以董事於結算日所需結算之開支之最佳估計計算，並以影響重大之現值貼現。

5. 關鍵會計判斷及估計不確定因素之主要來源

在應用附註4所述之本集團會計政策時，本公司董事須對無法依循其他途徑得知之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃按照過往經驗及被視為相關之其他因素作出。實際結果或有別於該等估計。

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

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 following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Going concern and liquidity

The Group has consolidated net liabilities of approximately HK\$301,245,000 at 31 March 2008 and loss of approximately HK\$50,665,000 for the year then ended indicating the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors are taking active steps to improve the liquidity position of the Group and details are set out in note 2. The consolidated financial statements have been prepared on a going concern basis. Should the measures fail to improve the liquidity position of the Group and the Group is unable to continue in business as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amount, to provide for further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

該等估計與相關假設需要持續審閱。倘修訂估計僅影響某一期間，則於修訂有關估計之期間內確認修訂；或倘修訂影響目前及未來期間，則於作出修訂之期間及未來期間確認有關修訂。

以下為有關未來之主要假設及其他於結算日估計不明朗因素之主要來源，於下一個財政年度內擁有導致資產及負債賬面值重大調整之重大風險。

(a) 持續經營及流動資金

本集團於二零零八年三月三十一日綜合負債淨額約港幣301,245,000元，以及截至該日止年度虧損約港幣50,665,000元為對本集團持續經營之能力產生重大疑問之重大不明朗因素。董事採取主動步驟以改善本集團之流動資金情況，詳情載列於附註2。綜合財務報表按持續經營為基準編製。倘該方法未能改善本集團之流動資金情況及本集團未能持續經營其業務，將會作出調整以降低本集團資產之賬面值至其可收回數額，為可能產生之額外負債作撥備，以及將非流動資產及負債重新分類為流動資產及負債。

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

(b) Useful lives and residual values of property, plant and equipment

The Group estimates the useful lives and residual values of its property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives and residual values of the property, plant and equipment are reviewed annually and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the Group's estimation of the useful lives and residual values of its property, plant and equipment is based on its collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in those estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives and residual value of the Group's property, plant and equipment would increase its recorded depreciation expenses and decrease its non-current assets.

(c) Deferred tax assets

The Group reviews the carrying amounts at each balance sheet date and estimates whether the Group will generate sufficient taxable profit to allow all or part of the deferred tax assets to be utilised.

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

(b) 物業、廠房及設備之可使用年期及剩餘價值

本集團按預期資產備妥可用之期間估計其物業、廠房及設備之可使用年期及剩餘價值。物業、廠房及設備之估計可使用年期及剩餘價值會每年檢討，並在因耗損、技術或商業上過時及使用資產之法定或其他限制而預計有別於早前估計時更新。此外，本集團按其對行業慣例、內部技術評估及類似資產之經驗整體評估其物業、廠房及設備之可使用年期及剩餘價值。然而，因上述因素變更而使估計受到變動，會使日後營運業績受到重大影響。就任何期間記錄開支之金額及時間均會受該等因素及狀況變動所影響。倘本集團物業、廠房及設備之估計可使用年期及剩餘價值減少，其已記錄折舊開支將會增加，其非流動資產則會減少。

(c) 遞延稅項資產

本集團於各結算日檢討其賬面值，並估計本集團能否產生足夠應課稅溢利以供全部或部份遞延稅項資產運用。

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

(d) Impairment losses for bad and doubtful accounts

The policy for impairment losses for bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate thus resulting in an impairment of their ability to make payments, additional allowances for impairment losses may be required.

(e) Provision for write down of inventories

The Group estimates the provision for write down of inventories based on the best available facts and circumstances, including but not limited to, the inventories' own conditions (i.e., whether they are damaged or become wholly or partially obsolete), their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted where additional information received affects the amount estimated.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(d) 呆壞賬減值虧損

本集團有關呆壞賬之減值虧損政策乃根據賬目之可收回性評估及賬齡分析以及按管理層之判斷而釐定。於評估該等應收款項之最終變現情況時，需要作出很大程度之判斷，包括評估每名客戶現時之信貸情況及過去之收款記錄。倘本集團客戶之財務狀況轉壞，以致減弱彼等之付款能力，則需要就減值虧損作出額外撥備。

(e) 存貨撇減撥備

本集團按可獲取最佳事實及狀況估計其存貨撇銷撥備，包括但不限於存貨本身狀況（即是否已損毀或全部或部份過時）、其市場售價、估計完成成本及估計銷售產生之成本。倘獲取進一步資料會影響所估計金額，則有關撥備會重新評估及調整。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, trade and other payables, convertible note, obligation under finance leases and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk and currency risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

- (i) As at 31 March 2008, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet after deducting any impairment allowance.
- (ii) In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its financial assets. Debts are usually due within 30 to 60 days from the date of billing.

6. 金融風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、貿易及其他應付款項、可換股票據、融資租賃承擔及借貸。此等金融工具之詳情披露於各有關附註。此等金融工具之相關風險包括信貸風險、流動資金風險、利率風險及貨幣風險。減低此等風險之政策載述如下。管理層負責管理及監察此等風險，以確保能適時及有效地採取適當措施。

(a) 信貸風險

- (i) 於二零零八年三月三十一日，最高之信貸風險乃各財務資產於綜合資產負債表中扣除任何減值撥備後之賬面值。
- (ii) 就貿易及其他應收款項而言，為減低風險，管理層已設立信貸政策，持續監察該等信貸風險，並定期就每名主要客戶財務狀況及條件進行信貸評估。該等評估集中於客戶過往支付到期款項之記錄及現時之付款能力，並考慮到客戶之特定賬戶資料及客戶經營所在地區之經濟環境。本集團毋須就其財務資產持有抵押品。債務一般於發票日期起計三十至六十日內到期。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

- (iii) In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the balance sheet date, the Group had certain concentration of credit risk as approximately 31% (2007: Nil), 17% (2007: 38%) and nil (2007: 9%) of the total trade and other receivables was due from a major customer, the landlord for the rental deposit and the substantial shareholder of the Company respectively.

- (iv) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 21.

6. 金融風險管理目標及政策 (續)

(a) 信貸風險 (續)

- (iii) 就貿易應收款項而言，本集團承擔之信貸風險主要受各客戶之不同情況所影響。於結算日，由於應收主要客戶、業主之租金按金及本公司主要股東之款項分別為貿易及其他應收款項總額約31% (二零零七年：無)、17% (二零零七年：38%) 及無 (二零零七年：9%)，故本集團具有若干信貸風險集中情況。

- (iv) 由於對手方均為國際評級機構認為高信貸評級之銀行，故流動資金之信貸風險有限。

有關本集團因貿易及其他應收款項而承擔之信貸風險之進一步定量披露載於附註21。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) 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 board approval. 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 amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on borrowings as a significant source of liquidity. As at 31 March 2008, the Group has available un-utilised loan facilities of approximately HK\$16,836,000 (2007: HK\$Nil), details of which are disclosed in note 25(a).

6. 金融風險管理目標及政策 (續)

(b) 流動資金風險

本集團內個別營運實體負責其各自之現金管理，包括現金盈餘之短期投資及須待董事局批准之借貸以應付預期之現金需求。本集團之政策為定期監察其現時及預期流動資金需求及是否符合借款之承諾，以確保其能維持足夠之現金及有足夠之由主要金融機構提供之融資額度以應付其短期及長期之流動資金需求。本集團依賴借貸作為流動資金主要來源。於二零零八年三月三十一日，本集團擁有可動用且未動用之貸款融資約港幣16,836,000元(二零零七年：無)，有關詳情於附註25(a)披露。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

The following liquidity table set out the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities 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 is required to pay:

The Group

	2008 二零零八年						2007 二零零七年					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount
	一年內或 按要求 HK\$'000 港幣千元	超過一年但 少於兩年 HK\$'000 港幣千元	超過兩年但 少於五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	總額 HK\$'000 港幣千元	賬面值 HK\$'000 港幣千元	一年內或 按要求 HK\$'000 港幣千元	超過一年但 少於兩年 HK\$'000 港幣千元	超過兩年但 少於五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	總額 HK\$'000 港幣千元	賬面值 HK\$'000 港幣千元
Borrowings 借貸	44,543	118,789	-	122,421	285,753	228,400	12,410	101,259	-	144,332	258,001	176,538
Obligations under finance leases 融資租賃 承擔	-	-	-	-	-	-	152	-	-	-	152	150
Convertible note 可換股票據	-	50,000	-	-	50,000	27,552	50,000	-	-	-	50,000	49,005
Trade and other payables 貿易及其他 應付款項	40,513	-	-	-	40,513	40,513	46,522	-	-	-	46,522	46,522
	85,056	168,789	-	122,421	376,266	296,465	109,084	101,259	-	144,332	354,675	272,215

The Company

	2008 二零零八年						2007 二零零七年					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount
	一年內或 按要求 HK\$'000 港幣千元	超過一年但 少於兩年 HK\$'000 港幣千元	超過兩年但 少於五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	總額 HK\$'000 港幣千元	賬面值 HK\$'000 港幣千元	一年內或 按要求 HK\$'000 港幣千元	超過一年但 少於兩年 HK\$'000 港幣千元	超過兩年但 少於五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	總額 HK\$'000 港幣千元	賬面值 HK\$'000 港幣千元
Borrowings 借貸	33,133	118,789	-	58,662	210,584	176,859	11,000	101,259	-	69,145	181,404	137,170
Convertible note 可換股票據	-	50,000	-	-	50,000	27,552	50,000	-	-	-	50,000	49,005
Due to a subsidiary 公司款項	2,058	-	-	-	2,058	2,058	249	-	-	-	249	249
Other payables 其他應付 款項	5,386	-	-	-	5,386	5,386	4,510	-	-	-	4,510	4,510
	40,577	168,789	-	58,662	268,028	211,855	65,759	101,259	-	69,145	236,163	190,934

6. 金融風險管理目標及政策 (續)

(b) 流動資金風險 (續)

下表載列本集團及本公司之財務負債於結算日之剩餘合約到期情況，該等財務負債乃根據合約未貼現現金流量(包括以按合約利率(或如屬浮動，則按結算日之現行利率)計算之利息付款)及本集團及本公司須付款之最早日期為基準：

本集團

本公司

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk

The Group's interest risk arises primarily from its borrowings. Borrowings obtained at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of market interest rate arising from the Group's HKD borrowings and bank deposits.

The Group is exposed to interest rate risk as its bank deposits are all interest-bearing. All bank deposits are short-term deposits with maturities less than or equal to three months. Management does not anticipate any significant impact resulting from the change in interest rates because the Group's bank balances are carried at low interest rates and the interest income thereon is not significant.

6. 金融風險管理目標及政策 (續)

(c) 利率風險

本集團之利率風險主要由其借貸產生。按變動利率及按固定利率取得之借貸令本集團分別承擔現金流量利率風險及公允價值利率風險。管理層監察之本集團利率概況載列於下文(i)項。

本集團面臨財務資產及財務負債之利率風險詳列於本附註流動資金風險管理一節。本集團之現金流量利率風險主要集中於本集團之港元借貸及銀行存款所產生之市場利率波動。

由於本集團全部銀行存款均為帶息，故面臨利率風險。所有銀行存款為到期日少於或相等於三個月之短期存款。由於本集團之銀行結餘以低息率計息，且利息收入並不重大，因此管理層並不預期利率變動產生任何重大影響。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the balance sheet date:

6. 金融風險管理目標及政策 (續)

(c) 利率風險 (續)

(i) 利率概況

下表詳列本集團於結算日借貸之利率概況：

		The Group 本集團			
		2008 二零零八年		2007 二零零七年	
		Effective interest rates 實際利率		Effective interest rates 實際利率	
		%	HK\$'000	%	HK\$'000
		%	港幣千元	%	港幣千元
Fixed rate borrowings:	固定利率借貸：				
Borrowings	借貸	18.43	20,323	24.00	1,249
Obligations under finance leases	融資租賃承擔	-	-	1.33-1.40	150
Convertible note	可換股票據	28.05	27,552	28.50	49,005
			<u>47,875</u>		<u>50,404</u>
Variable rate borrowings:	變動利率借貸：				
Borrowings	借貸	5.82	180,275	8.31	164,128
Total borrowings	借貸總額		<u>228,150</u>		<u>214,532</u>
Fixed rate borrowings as a percentage of total net borrowings	固定利率借貸佔總借貸淨額之百分比		21%		23%

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile (Continued)

6. 金融風險管理目標及政策 (續)

(c) 利率風險 (續)

(i) 利率概況 (續)

		The Company 本公司			
		2008 二零零八年		2007 二零零七年	
		Effective interest rates 實際利率		Effective interest rates 實際利率	
		%	HK\$'000 港幣千元	%	HK\$'000 港幣千元
Fixed rate borrowings:	固定利率借貸：				
Borrowings	借貸	18.43	20,074	24.00	1,000
Convertible note	可換股票據	28.05	27,552	28.50	49,005
			<u>47,626</u>		<u>50,005</u>
Variable rate borrowings:	變動利率借貸：				
Borrowings	借貸	5.99	140,144	8.47	126,170
Total borrowings	借貸總額		<u>187,770</u>		<u>176,175</u>
Fixed rate borrowings as a percentage of total net borrowings	固定利率借貸佔總借貸淨額之百分比		25%		28%

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 March 2008, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss after tax and accumulated losses by approximately HK\$901,000 (2007: HK\$821,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for non-derivative financial liabilities in existence at that date. The 50 basis points 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. The analysis is performed on the same basis for 2007.

(d) Currency risk

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's transactional currency is Hong Kong dollars as substantially all the turnover is in Hong Kong dollars. The Group's transactional foreign exchange exposure was insignificant.

6. 金融風險管理目標及政策 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零零八年三月三十一日，估計利率一般上升／下降50個基點而所有其他變數保持不變，則本集團之除稅後虧損及累積虧損將會增加／減少約港幣901,000元(二零零七年：港幣821,000元)。

上述敏感度分析乃假設利率變動於結算日發生，並將利率變動應用於當天存在之非衍生財務負債之利率風險上而釐定。50個基點之增減指管理層對期內至下個年度結算日利率合理可能變動之評估。二零零七年之分析乃以相同基準進行。

(d) 貨幣風險

本集團現時並無有關外匯風險之對沖政策。由於本集團之所有營業額均以港幣定值，故其交易貨幣為港幣。本集團之交易外匯風險輕微。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2008 and 2007.

6. 金融風險管理目標及政策 (續)

(e) 公允價值

財務資產及財務負債之公允價值乃根據下列各項釐定：

- 附有標準條款及條件且於活躍及高流通性市場買賣之財務資產及財務負債之公允價值乃分別參考所報市場之賣出價及買入價釐定；及
- 其他財務資產及財務負債之公允價值乃根據普遍採納之定價模式，利用可取得目前市場交易之價格或比率按貼現現金流量作為輸入資料。

於二零零八年及二零零七年三月三十一日，所有金融工具之列賬金額與其公允價值並無重大差異。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

7. TURNOVER

Turnover represents the gross proceeds received and receivable derived from the sales of newspapers, magazines, books and advertising income and are summarized as follows:

		2008 二零零八年 <i>HK\$'000</i> 港幣千元	2007 二零零七年 <i>HK\$'000</i> 港幣千元
Sales of newspapers, magazine and books	銷售報章、雜誌及書籍	33,956	44,438
Newspapers and magazine advertising income	報章及雜誌廣告收入	14,602	23,316
		48,558	67,754

Included in newspapers and magazine advertising income is approximately HK\$537,000 (2007: HK\$176,000) in respect of barter transactions entered into during the year.

7. 營業額

營業額乃指已收及應收有關銷售報章、雜誌及書籍之款項以及廣告收入總額，茲概列如下：

報章及雜誌廣告收入包括於年內訂立金額約為港幣537,000元(二零零七年: 港幣176,000元)之以物易物之交易。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

8. OTHER REVENUE AND NET INCOME

8. 其他收益及淨收入

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Other revenue	其他收益		
Bank interest income	銀行利息收入	4	17
Total interest income on financial assets not at fair value through profit or loss	非按公允價值透過 損益列賬之財務 資產總利息收入	4	17
Sundry income	雜項收入	2,518	2,050
Licence fee income	牌照費收入	–	1,000
		2,522	3,067
Other net income	其他淨收入		
Net gain on disposal of property, plant and equipment	出售物業、廠房及 設備之淨收益	547	–
Net gain on disposal of subsidiaries	出售附屬公司之淨收益	–	576
Net gain on deconsolidation of a subsidiary	終止綜合一間附屬公司 賬目之淨收益	–	2,225
Gain on adjustment of amortised cost of convertible note	調整可換股票據攤薄 成本之收益	26,638	–
Reversal of provision for employee benefits	撥回僱員福利撥備	7,680	–
		34,865	2,801

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

9. 除稅前虧損

除稅前虧損乃經扣除/(計入)以下各項：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(a) Finance costs	(a) 財務成本		
Interest on bank borrowings wholly repayable within five years	於五年內全部償還之銀行借貸利息	14	3
Interest on other borrowings wholly repayable within five years	於五年內全部償還之其他借貸利息	11,022	8,131
Interest on other borrowings wholly repayable after five years	於五年後全部償還之其他借貸利息	4,174	4,597
Effective interest expenses on convertible note	可換股票據之實際利息開支	11,201	11,464
Finance charges on obligations under finance leases	融資租賃承擔下之融資費用	2	18
Total interest expense on financial liabilities not at fair value through profit or loss	非按公允價值透過損益列賬之財務負債總利息開支	26,413	24,213
(b) Staff costs (including Directors' emoluments (note 12))	(b) 員工成本 (包括董事之酬金 (附註12))		
Salaries, wages and other benefits	薪金、工資及其他福利	28,439	58,649
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	1,621	2,403
		30,060	61,052

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財務報表附註 截至二零零八年三月三十一日止年度

9. LOSS BEFORE TAXATION (Continued)

9. 除稅前虧損(續)

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(c) Other items	(c) 其他項目		
Auditor's remuneration	核數師酬金	900	800
Depreciation	折舊		
– own property, plant and equipment	– 自置物業、廠房 及設備	12,473	19,370
– leased property, plant and equipment	– 租賃物業、廠房 及設備	52	249
Amortisation of land lease premium	租賃土地地價攤銷	3	3
Impairment loss on trade receivables	貿易應收款項 減值虧損	850	1,788
Loss on disposal of available-for-sale investments	出售可供出售投資 之虧損	–	232
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備 之(收益)/虧損	(547)	263
Loss on property, plant and equipment written off	撇銷物業、廠房及設備 之虧損	2,094	–
Provision for employee benefits	僱員福利之撥備	–	176
Minimum lease payments under operating leases on	根據經營租約之 最低租賃付款		
– machinery	– 機器	299	398
– leasehold land and buildings	– 租賃土地及樓宇	7,114	6,276
Cost of inventories (note 20(b))	存貨成本(附註20(b))	7,313	28,410

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

10. SHARE OF RESULTS OF AN ASSOCIATE

Share of losses of an associate before taxation	分佔一間聯營公司之除稅前虧損
Share of associate's taxation	分佔聯營公司稅項

10. 分佔一間聯營公司業績

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
138	579
–	–
138	579

11. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Income tax in the consolidated income statement represents:

Current tax	本年度稅項
Hong Kong	香港
Under-provision in respect of prior years	過往年度撥備不足
Hong Kong	香港
Deferred tax	遞延稅項
Current year	本年度

11. 於綜合收益表之所得稅

(a) 於綜合收益表之所得稅包括：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
591	2,968
723	7,993
(2,214)	114
(900)	11,075

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profits for the year.

香港利得稅以年內估計應課稅溢利按17.5% (二零零七年：17.5%) 計算。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

11. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(b) Reconciliation between tax expense and accounting loss at the applicable tax rates:

11. 於綜合收益表之所得稅 (續)

(b) 稅務開支及會計虧損間按適用稅率之對賬：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loss before taxation	除稅前虧損	(51,565)	(93,770)
Notional tax on loss before taxation, calculated at the rates applicable in the tax jurisdictions concerned	有關除稅前虧損之名義稅項，按適用於有關稅務司法權區之稅率計算	(9,024)	(16,410)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	5,887	15,891
Tax effect of non-taxable income	不可課稅收入之稅項影響	(6,011)	(8,205)
Tax effect of capital allowances	資本免稅額之稅項影響	-	(273)
Tax effect of unused tax losses not recognized	未確認之未動用稅務虧損之稅項影響	7,716	11,864
Tax effect of share of results of associate	分佔聯營公司業績之稅項影響	24	101
Tax effect of utilisation of unused tax losses not recognised in prior years	動用往年未確認之未動用稅務虧損之稅項影響	(148)	(1,955)
Under-provision in prior years	往年撥備不足	723	7,993
Others	其他	(67)	2,069
Actual tax (credit)/expenses	實際稅項 (抵免) / 開支	(900)	11,075

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

12. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

12. 董事酬金

董事酬金根據香港公司條例第161條披露如下：

		Year ended 31 March 2008 截至二零零八年三月三十一日止年度			
		Directors' fees	Salaries, wages and other benefits	Contributions to defined contribution retirement plan	Total
		董事袍金	薪金、工資及其他福利	定額供款退休計劃之供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Chairman	主席				
Qin Hong	覃 宏	–	–	–	–
Executive Directors	執行董事				
Hao Bin****	郝 彬****	30	–	–	30
Wang Fei	王 飛	–	–	–	–
Independent Non-Executive Directors	獨立非執行董事				
Shi Bin Hai***	施濱海***	45	–	–	45
Yan Chun**	閔 春**	–	–	–	–
Jiang Jin Sheng	姜進生	28	–	–	28
Kong Tze Wing	江子榮	114	–	–	114
		217	–	–	217

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財務報表附註 截至二零零八年三月三十一日止年度

12. DIRECTORS' EMOLUMENTS (Continued)

12. 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' fees	Salaries, wages and other benefits	Contributions to defined contribution retirement plan	Total
		董事袍金	薪金、工資及其他福利	定額供款退休計劃之供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Chairman	主席				
Qin Hong	覃 宏	—	—	—	—
Executive Directors	執行董事				
Hao Bin****	郝 彬****	—	60	—	60
Wang Fei	王 飛	—	—	—	—
Xing Jing*	邢 晶*	—	—	—	—
Independent Non-Executive Directors	獨立非執行董事				
Shi Bin Hai***	施濱海***	—	—	—	—
Yan Chun**	閔 春**	—	—	—	—
		—	60	—	60

* Resigned on 13 April 2006

** Resigned on 25 April 2008

*** Resigned on 13 August 2008

**** Resigned on 10 October 2007

During the year, no emoluments or incentive payments were paid to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 March 2008 and 2007.

As at 31 March 2008, no (2007: Nil) share options was held by the directors under the Company's share option scheme. The details of the share options are disclosed under the paragraph "Share capital and share option" in the report of the directors and note 31.

* 於二零零六年四月十三日辭任

** 於二零零八年四月二十五日辭任

*** 於二零零八年八月十三日辭任

**** 於二零零七年十月十日辭任

年內，本集團並無支付任何酬金或獎勵金予董事以吸引於年內加入本集團或作離職之補償。截至二零零八年及二零零七年三月三十一日止年度，概無董事放棄或同意放棄任何薪酬之安排。

於二零零八年三月三十一日，概無董事在本公司購股權計劃下持有購股權(二零零七年：無)。購股權之詳情於董事會報告書「股本及購股權」一段及附註31披露。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

13. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, nil (2007: nil) was a director of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining five (2007: five) individuals were as follows:

Salaries, wages and other benefits	薪金、工資及其他福利
Contributions to defined contribution retirement plan	定額供款退回計劃之供款

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
2,397	3,371
60	30
2,457	3,401

Their emoluments were all within the HK\$1,000,000 band.

There was no amount paid during the years ended 31 March 2008 and 2007 to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of approximately HK\$28,499,000 (2007: HK\$68,171,000) which has been dealt with in the financial statements of the Company.

13. 最高薪人士

本集團五名最高薪人士中並無包括本公司董事(二零零七年：無)，本公司董事酬金已載於上文附註12之披露內。其餘五名(二零零七年：五名)最高薪人士之酬金如下：

其酬金全部介乎港幣1,000,000元內。

截至二零零八年及二零零七年三月三十一日止年度，本集團並無支付任何款項予該五名最高薪人士以吸引加入本集團或作離職之補償。

14. 本公司權益股東應佔虧損

本公司權益股東應佔綜合虧損包括已於本公司財務報表內處理之虧損約港幣28,499,000元(二零零七年：港幣68,171,000元)。

15. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$50,665,000 (2007: HK\$104,845,000) and the weighted average number of 991,685,971 ordinary shares (2007: 991,685,971 ordinary shares) in issue during the year.

(b) Diluted loss per share

Diluted loss per share for the current and prior years have not been disclosed as the potential ordinary shares outstanding during both years had an anti-dilutive effect on the basic loss per share for the current and prior years.

16. SEGMENT INFORMATION

(a) Business segments

No separate analysis of financial information by business segments is presented as the Group's revenue, results, assets and liabilities were all derived from its principal activities of publication of newspapers, magazines and books.

(b) Geographical segments

All of the activities of the Group are based in Hong Kong and all Group's turnover and loss before income tax are derived from Hong Kong. Accordingly, no geographical segments information is presented.

15. 每股虧損

(a) 每股基本虧損

每股基本虧損乃以本公司普通股權益股東應佔虧損港幣50,665,000元(二零零七年：港幣104,845,000元)及除以年內已發行991,685,971股普通股(二零零七年：991,685,971股普通股)之加權平均數計算。

(b) 每股攤薄虧損

由於本年度及往年度發行之潛在普通股在本年度及往年度之虧損基礎上產生反攤薄影響，故並無披露該兩個年度之每股攤薄虧損。

16. 分部資料

(a) 業務分部

由於本集團之收益、業績、資產及負債全部均源自其主要業務出版報章、雜誌及書籍，故財務資料並無按業務分部獨立分析而呈列。

(b) 地域分部

本集團所有業務均以香港為基地，而本集團全部營業額及除所得稅前虧損乃源自香港。因此，並無呈列地域分部資料。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

17. FIXED ASSETS

17. 固定資產

The Group

本集團

		Building	Leasehold improvements	Machinery	Furniture, fixtures and equipment	Network and computer equipment	Motor vehicles	Sub-total	Interest in leasehold land held for own use under operating lease 根據經營租賃持有自用之租賃土地權益	Total fixed assets
		樓宇	租賃物業裝修	機器	傢私、裝置及設備	網絡及電腦設備	汽車	小計	土地權益	總固定資產
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Cost	成本									
At 1 April 2006	於二零零六年四月一日	111	1,528	102,544	2,699	10,404	927	118,213	135	118,348
Additions	增購	-	2,162	-	318	290	-	2,770	-	2,770
Disposals	出售	-	(1,524)	(53)	-	(19)	(802)	(2,398)	-	(2,398)
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	111	2,166	102,491	3,017	10,675	125	118,585	135	118,720
Additions	增購	-	-	-	85	124	-	209	-	209
Write off	撇銷	-	-	(23,808)	-	-	-	(23,808)	-	(23,808)
Disposals	出售	-	-	(3,868)	-	-	(42)	(3,910)	-	(3,910)
At 31 March 2008	於二零零八年三月三十一日	111	2,166	74,815	3,102	10,799	83	91,076	135	91,211
Accumulated amortisation, depreciation and impairment	累計攤銷、折舊及減值									
At 1 April 2006	於二零零六年四月一日	22	1,142	72,902	2,039	5,335	616	82,056	12	82,068
Charge for the year	年度支出	6	358	17,153	256	1,707	139	19,619	3	19,622
Written back on disposals	出售時撥備	-	(1,337)	(48)	-	(16)	(654)	(2,055)	-	(2,055)
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	28	163	90,007	2,295	7,026	101	99,620	15	99,635
Charge for the year	年度支出	6	326	10,384	237	1,559	13	12,525	3	12,528
Write off	撇銷	-	-	(21,714)	-	-	-	(21,714)	-	(21,714)
Written back on disposals	出售時撥備	-	-	(3,866)	-	-	(34)	(3,900)	-	(3,900)
At 31 March 2008	於二零零八年三月三十一日	34	489	74,811	2,532	8,585	80	86,531	18	86,549
Net book value	賬面淨值									
At 31 March 2008	於二零零八年三月三十一日	77	1,677	4	570	2,214	3	4,545	117	4,662
At 31 March 2007	於二零零七年三月三十一日	83	2,003	12,484	722	3,649	24	18,965	120	19,085

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

17. FIXED ASSETS (Continued)

- (a) The analysis of the net book value of properties is as follows:

		The Group	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Situated in Hong Kong and held under long-term lease	位於香港並根據長期租賃持有	194	203
Representing:	代表：		
Building	樓宇	77	83
Interest in leasehold land held for own use under operating lease	根據經營租賃持作自用之租賃土地之權益	117	120
		194	203

- (b) The carrying amount of network and computer equipment of HK\$2,214,000 includes an amount of HK\$nil (2007: HK\$700,000), in respect of assets held under finance leases.

17. 固定資產 (續)

- (a) 物業賬面淨值之分析如下：

- (b) 網絡及電腦設備之賬面值港幣2,214,000元包括有關根據融資租賃持有之資產款額為港幣零元(二零零七年：港幣700,000元)。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

18. INTEREST IN SUBSIDIARIES

18. 於附屬公司權益

		The Company	
		本公司	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，按成本	35,589	35,589
Less: Impairment loss	減：減值虧損	(35,589)	(35,589)
		-	-
Due from subsidiaries (note b)	應收附屬公司款項 (附註b)	870,100	843,350
Less: Allowance for doubtful debts (note (c))	減：呆賬撥備 (附註(c))	(870,093)	(842,947)
		7	403
Due to a subsidiary (note d)	應付附屬公司款項 (附註d)	(2,058)	(249)
		(2,051)	154

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財務報表附註 截至二零零八年三月三十一日止年度

18. INTEREST IN SUBSIDIARIES (Continued)

Notes:

- (a) The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

18. 於附屬公司權益 (續)

附註：

- (a) 下表所載僅為主要影響本集團業績、資產和負債之附屬公司詳情。除另有指明外，持有股份類別均為普通股。

Name of company 公司名稱	Place/Country of incorporation and operation 註冊成立及 經營地點／國家	Particulars of issued and paid-up capital 已發行 及繳足股本 詳情	Percentage of equity interests attributable to the Company 本公司 應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
First Brilliant Limited	British Virgin Islands ("BVI")	US\$1	100	–	Investment holding
First Brilliant Limited	英屬處女群島	1美元	100	–	投資控股
Actiwater Resources Limited	BVI	US\$1	–	100	Investment holding
Actiwater Resources Limited	英屬處女群島	1美元	–	100	投資控股
Komatic International Limited	BVI	US\$1	–	100	Investment holding
Komatic International Limited	英屬處女群島	1美元	–	100	投資控股
Optima Media Holding Limited	BVI	US\$100	–	100	Investment holding
Optima Media Holding Limited	英屬處女群島	100美元	–	100	投資控股
Sing Pao Newspaper Assets Limited	Hong Kong	HK\$2	–	100	Holding of property, plant and equipment
成報報刊資產有限公司	香港	港幣2元	–	100	持有物業、廠房及設備
Sing Pao Newspaper (BVI) Limited	BVI	US\$1	–	100	Investment holding
Sing Pao Newspaper (BVI) Limited	英屬處女群島	1美元	–	100	投資控股
Sing Pao Newspaper Company Limited	Hong Kong	HK\$2	–	100	Newspaper publication
成報報刊有限公司	香港	港幣2元	–	100	出版報章

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

18. INTEREST IN SUBSIDIARIES (Continued)

Notes: (Continued)

Name of company 公司名稱	Place/Country of incorporation and operation 註冊成立及 經營地點/國家	Particulars of issued and paid-up capital 已發行 及繳足股本 詳情	Percentage of equity interests attributable to the Company 本公司 應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sing Pao Publishing Limited 成報出版社有限公司	Hong Kong 香港	HK\$2 港幣2元	–	100	Book publication 出版書籍
Sing Pao Newspaper Management Limited 成報報刊管理有限公司	Hong Kong 香港	HK\$2 港幣2元	–	100	Provision of management services 提供管理服務
StarEastNet (BVI) Limited StarEastNet (BVI) Limited	BVI 英屬處女群島	US\$1,000 1,000美元	100	–	Investment holding 投資控股
Wah Fung Book Store Limited 華風書局有限公司	Hong Kong 香港	HK\$796,000 港幣796,000元	–	100	Property holding 持有物業

(b) The amounts due from subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment. In the opinion of the directors, no demand for repayment will be made by the Company in the next twelve months. Accordingly, the amounts are shown as non-current.

18. 於附屬公司權益(續)

附註：(續)

(b) 應收附屬公司款項乃無抵押，且屬免息及無固定還款期。董事認為，本公司毋須於未來十二個月內償還。因此，該等款項以非流動列示。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

18. INTEREST IN SUBSIDIARIES (Continued)

Notes: (Continued)

(c) Movement in the allowance for doubtful debts

At 1 April	於四月一日
Impairment losses recognised	已確認減值虧損
Amount reversed during the year	年度撥回款項
At 31 March	於三月三十一日

(d) The amount due to a subsidiary is unsecured, non-interest-bearing and repayable on demand.

(e) After considering the profitability, financial positions, cash flows and future prospects of these subsidiaries, the directors considered that it was appropriate to make impairment on amounts due from the subsidiaries. The recoverable amount of the investment in subsidiaries based upon which impairment loss is arrived at its value in use and is determined using discounted cash flows. The discount rate used is 34.77% (2007: 18.85%), which is determined with reference to the borrowing rates of the Group as at the balance sheet date.

18. 於附屬公司權益 (續)

附註：(續)

(c) 呆賬撥備變動

		The Company	
		本公司	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 April	於四月一日	842,947	798,947
Impairment losses recognised	已確認減值虧損	27,611	44,000
Amount reversed during the year	年度撥回款項	(465)	-
At 31 March	於三月三十一日	870,093	842,947

(d) 應付一間附屬公司款項乃無抵押，且屬免息及按要求償還。

(e) 經考慮該等附屬公司之盈利能力、財務狀況、現金流量及未來前景，董事認為於應收附屬公司款項所作之減值乃恰當的。投資於附屬公司之可收回款項乃根據其使用價值所得之減值虧損並使用貼現現金流量釐定。所使用之貼現率為34.77% (二零零七年：18.85%)，乃參考本集團於結算日之借貸利率而釐定。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

19. INTEREST IN AN ASSOCIATE

19. 於聯營公司權益

		The Group	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Share of net assets	應佔資產淨值	—	138

Particulars of the Group's associate, which is an unlisted corporate entity, as at 31 March 2008 is as follows:

於二零零八年三月三十一日，本集團聯營公司（為非上市公司實體）之詳情如下：

Name of company	Form of business structure	Country of incorporation and operation	Paid up capital	Interest held indirectly by the Company	Principal activity
公司名稱	業務架構形式	註冊成立及營運國家	繳足股本	本公司間接持有之權益	主要業務
北京中青在線網絡 信息技術有限公司	Sino-foreign-owned equity joint venture	The People's Republic of China ("PRC")	RMB5,000,000	25%	Provision of networking and information services in PRC
北京中青在線網絡 信息技術有限公司	中外合資企業	中華人民共和國 （「中國」）	人民幣5,000,000元	25%	於中國提供網絡 及資訊服務

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

19. INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information in respect of the Group's associate is set out below:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Non-current assets	非流動資產	978	1,136
Current assets	流動資產	334	575
Current liabilities	流動負債	(3,660)	(1,160)
Equity	權益	(2,348)	551
Turnover	營業額	1,721	2,439
Loss for the year	本年度虧損	(2,899)	(2,392)

The Group has discontinued recognition of its share of losses of the associate. The amounts of unrecognised share of the associate, extracted from the relevant management accounts of the associate, both for the year and cumulatively are as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Unrecognised share of losses of the associate for the year	本年度未確認之應佔聯營公司虧損	587	-
Accumulated unrecognised share of losses of the associate	累計未確認之應佔聯營公司虧損	587	-

19. 於聯營公司權益 (續)

本集團聯營公司之財務資料概列如下：

本集團已終止確認其應佔該聯營公司之虧損。未確認應佔該聯營公司於本年度及累計之金額(摘錄自該聯營公司之相關管理賬目)如下：

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

20. INVENTORIES

(a) Inventories in the consolidated balance sheet comprise:

Goods for sale	待售貨品
Printing materials	印刷材料

20. 存貨

(a) 於綜合資產負債表所列之存貨包括：

		The Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		–	529
		396	417
		396	946

(b) The analysis of the amount of inventories recognised as an expense is as follows:

Carrying amount of inventories used	已用存貨之賬面值
Write down of inventories	撇減存貨

(b) 確認為開支之存貨金額分析如下：

		The Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		6,990	28,410
		323	–
		7,313	28,410

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		Note 附註	The Group 本集團		The Company 本公司	
			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade receivables	貿易應收款項		7,770	7,340	–	–
Less: allowance for doubtful debts	減：呆壞賬撥備		(4,111)	(3,261)	–	–
Other receivables	其他應收款項	(a)	3,659	4,079	–	–
Deposits and prepayments	按金及預付款項		122	74	–	–
Amount due from a related company	應收一間關連 公司款項	(d)	2,011	5,345	–	100
Amount due from a substantial shareholder	應收一名主要 股東款項	(e)	7	29	–	–
			–	1,000	–	–
			5,799	10,527	–	100

All of the trade and other receivables are expected to be recovered within one year.

預計所有應收貿易賬款及其他應收款項將可於一年內收回。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) Ageing analysis

Included in trade and other receivables are trade receivables net of allowance for doubtful debts of HK\$4,111,000 (2007: HK\$3,261,000) with the following age analysis as of the balance sheet date:

0-30 days	零至30日
31-90 days	31日至90日
Over 90 days	90日以上

(b) Impairment of trade receivables

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

Movements in the allowance for doubtful debts

At 1 April	於四月一日
Impairment losses recognised (note i)	已確認減值虧損(附註i)
At 31 March	於三月三十一日

21. 貿易及其他應收款項(續)

附註：

(a) 賬齡分析

貿易及其他應收款項包括已扣除呆賬撥備港幣4,111,000元(二零零七年：港幣3,261,000元)之貿易應收賬款，其於結算日之賬齡分析如下：

		The Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
0-30 days	零至30日	3,180	2,378
31-90 days	31日至90日	333	709
Over 90 days	90日以上	146	992
		3,659	4,079

(b) 貿易應收款項減值

貿易應收款項之減值虧損乃採用撥備賬入賬，惟倘本集團認為收回該金額之可能性極低則除外，於該情況下，減值虧損將直接與貿易應收賬款撇銷。

呆賬撥備之變動

		The Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April	於四月一日	3,261	1,473
Impairment losses recognised (note i)	已確認減值虧損(附註i)	850	1,788
At 31 March	於三月三十一日	4,111	3,261

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財務報表附註 截至二零零八年三月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(b) Impairment of trade receivables (Continued)

- (i) As at 31 March 2008, trade receivables of the Group amounting to HK\$4,111,000 (2007: HK\$3,261,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 150 days as at the balance sheet date and related to customers that were in financial difficulties and management assessed that only a portion of the receivables could be recovered. Accordingly, specific allowances for doubtful debts of HK\$850,000 (2007: HK\$1,788,000) were recognised.

Trade receivables are due within 30 to 60 days from the date of billing. Further details on the Group's credit policy is set out in note 6(a).

No cash deposits nor collateral had been placed by the related trade debtors with the Group (2007: \$Nil).

(c) Trade receivables that are not impaired

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

Neither past due nor impaired	未逾期且未減值
Less than 1 month past due	逾期少於一個月
1 to 3 months past due	逾期一至三個月

21. 貿易及其他應收款項 (續)

附註：(續)

(b) 貿易應收款項減值 (續)

- (i) 於二零零八年三月三十一日，本集團金額達港幣4,111,000元（二零零七年：港幣3,261,000元）之貿易應收款項已個別釐定為減值及已作出全數撥備。該等個別減值應收款項於結算日已逾期未付150日以上，並與出現財務困難之客戶有關，而管理層估計，僅有一部份應收款項可收回。因此，呆賬特定撥備港幣850,000元（二零零七年：港幣1,788,000元）已予確認。

貿易應收款項由發票日期起計30至60日內到期。本集團信貸政策之進一步詳情載於附註6(a)。

相關之貿易債務人並無向本集團提供任何現金按金或抵押品（二零零七年：港幣零元）。

(c) 並無減值之貿易應收款項

並無個別及共同被視為將予減值之貿易應收賬款之賬齡分析如下：

		The Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
		3,180	2,378
		267	709
		212	992
		479	1,701
		3,659	4,079

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財務報表附註 截至二零零八年三月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(c) Trade receivables that are not impaired (Continued)

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

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 balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

- (d) The amount represents the balance due from Star East Management Limited ("Star East Management").

Mr. Wang Fei is the common director of the Company and Star East Management. The balance due from the related company is unsecured, interest-free and has no fixed terms of repayment.

- (e) The amount represented licence fee income taken up by a substantial shareholder of the Company, Strategic Media International Limited ("SMIL") on behalf of the Group which was unsecured, interest-free, and repayable on demand.

22. CASH AND CASH EQUIVALENTS

21. 貿易及其他應收款項 (續)

附註：(續)

(c) 並無減值之貿易應收款項 (續)

未逾期且未減值之應收款項乃與多名近期無未能還款記錄之客戶有關。

已逾期但未減值之應收款項與多名與本集團保持良好往績記錄之多名獨立客戶有關。按照過往經驗，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故管理層相信毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

- (d) 該款項指應收Star East Management Limited (「Star East Management」) 款項之結餘。

王飛先生乃本公司及Star East Management之共同董事。應收關連公司款項之結餘乃無抵押，且屬免息及無固定還款期。

- (e) 該款項指本公司之主要股東Strategic Media International Limited (「SMIL」) 代表本集團所收取之牌照費收入。該款項乃無抵押，且屬免息及按要求償還。

22. 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cash at bank and on hand	銀行庫存現金及手頭現金	565	2,026	16	1,228
Cash and cash equivalents in the consolidated balance sheet and the consolidated cash flow statement	綜合資產負債表及綜合現金流量表所列之現金及現金等值項目	565	2,026	16	1,228

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財務報表附註 截至二零零八年三月三十一日止年度

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		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
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade payables (note (a))	貿易應付款項 (附註(a))	10,453	15,403	-	-
Other payables (note (b))	其他應付款項 (附註(b))	25,397	31,119	3,641	4,510
Amount due to a substantial shareholder (note (c))	應付一名主要股東款項 (附註 (c))	4,663	-	1,745	-
Financial liabilities measured at amortised cost	以攤銷成本計算之財務負債	40,513	46,522	5,386	4,510

(a) The following is an age analysis of trade payables at the balance sheet date:

(a) 於結算日，貿易應付款項之賬齡分析如下：

		The Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
0-30 days	零至30日	2,032	4,330
31-90 days	31日至90日	1,380	1,637
Over 90 days	90日以上	7,041	9,436
		10,453	15,403

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財務報表附註 截至二零零八年三月三十一日止年度

23. TRADE AND OTHER PAYABLES (Continued)

(b) Including an amount of HK\$441,000 (2007: HK\$419,000) payable to an individual, who is a former individual shareholder. The balance is unsecured, bearing interest at 7% (2007: 7%) per annum and repayable on demand.

(c) The amount is unsecured, interest-free and repayable on demand.

23. 貿易及其他應付款項 (續)

(b) 包括應付一名個別人士(為前獨立股東)之款項港幣441,000元(二零零七年:港幣419,000元)。該結欠為無抵押、以每年7厘(二零零七年:7厘)計息及按要求償還。

(c) 該款項乃無抵押,且屬免息及按要求償還。

24. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

(a) Current taxation in the balance sheet represents:

24. 於綜合資產負債表所列之所得稅

(a) 資產負債表所列之即期稅項指:

		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
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Provision for the year	本年度撥備				
– Hong Kong Profits Tax	– 香港利得稅	591	2,968	–	–
Provision for prior years	過往年度撥備				
– Hong Kong Profits Tax	– 香港利得稅	11,683	7,993	184	185
		12,274	10,961	184	185

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

24. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET (Continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the balance sheet and the movements during the current and prior years are as follows:

The Group

		Accelerated tax depreciation 加速稅務折舊 HK\$'000 港幣千元	Allowance for bad and doubtful debts 呆壞賬撥備 HK\$'000 港幣千元	Tax losses 稅務虧損 HK\$'000 港幣千元	Convertible note 可換股票據 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2006	於二零零六年四月一日	3,963	(195)	(3,768)	2,100	2,100
(Credit)/charge to consolidated income statement for the year	本年度(轉撥往)/扣除自 綜合收益表	(754)	(376)	3,199	(1,955)	114
At 31 March 2007	於二零零七年 三月三十一日	3,209	(571)	(569)	145	2,214
Charge to equity for the year (Credit)/charge to consolidated income statement for the year	本年度扣除至權益 本年度(轉撥往)/扣除自 綜合收益表	-	-	-	3,928	3,928
		(3,209)	571	569	(145)	(2,214)
At 31 March 2008	於二零零八年 三月三十一日	-	-	-	3,928	3,928

24. 於綜合資產負債表所列之 所得稅(續)

(b) 已確認遞延稅項資產及 負債：

已在資產負債表內確認之遞延稅項(資產)/負債之組成部份及本年度及過往年度變動如下：

本集團

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

24. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET (Continued)

24. 於綜合資產負債表所列之所得稅 (續)

(b) Deferred tax assets and liabilities recognised: (Continued)

(b) 已確認遞延稅項資產及負債：(續)

The Company

本公司

		Convertible note 可換股票據 HK\$'000 港幣千元
At 1 April 2006	於二零零六年四月一日	2,100
Credit to income statement for the year	本年度轉撥往收益表	(1,955)
At 31 March 2007	於二零零七年三月三十一日	145
Charge to equity for the year	本年度扣除至權益	3,928
Credit to income statement for the year	本年度轉撥往收益表	(145)
At 31 March 2008	於二零零八年三月三十一日	3,928

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

就供資產負債表呈列用途，若干遞延稅項資產及負債已抵銷。以下為就財務申報用途之遞延稅項結餘分析：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	-	1,140	-	-
Deferred tax liabilities	遞延稅項負債	(3,928)	(3,354)	(3,928)	(145)
		(3,928)	(2,214)	(3,928)	(145)

24. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET (Continued)

(c) Deferred tax assets not recognised

At the balance sheet date, the Group has unused tax losses of approximately HK\$819,250,000 (2007: HK\$775,221,000) available for offset against future profits that may be carried forward indefinitely. A deferred tax asset has been recognised in respect of HK\$Nil (2007: HK\$3,251,000) of such losses. No deferred tax asset has been recognised in respect of the amount of HK\$819,250,000 (2007: HK\$771,970,000) tax losses due to the unpredictability of future profit streams.

At the balance sheet date, the Company has unused tax losses of approximately HK\$2,682,000 (2007: HK\$2,682,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

24. 於綜合資產負債表所列之所得稅(續)

(c) 未確認遞延稅項資產

於結算日，本集團有未動用稅務虧損約港幣819,250,000元（二零零七年：港幣775,221,000元），可用以抵銷未來溢利，並可以無限期地結轉。該等虧損中港幣零元（二零零七年：港幣3,251,000元）已確認遞延稅項資產。因未能預測未來溢利走勢，故未就金額為港幣819,250,000元（二零零七年：港幣771,970,000元）之稅務虧損確認遞延稅項資產。

於結算日，本公司有未動用稅務虧損約港幣2,682,000元（二零零七年：港幣2,682,000元），可用以抵銷未來溢利，並可以無限期地結轉。因未能預測未來溢利走勢，故未就該等虧損確認遞延稅項資產。

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25. BORROWINGS

25. 借貸

		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
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Loans from a substantial shareholder, unsecured (Note a)	自一名主要股東之無抵押貸款 (附註a)	103,164	91,190	103,164	91,190
Loans from related companies, unsecured (Note b)	自關連公司之無抵押貸款 (附註b)	7,186	6,790	5,821	5,506
Others	其他				
– Secured (note c)	– 有抵押 (附註c)	14,928	–	14,928	–
– Unsecured (note d)	– 無抵押 (附註d)	103,122	78,558	52,946	40,474
		228,400	176,538	176,859	137,170
Analysed as:	分析為：				
Current	流動	42,455	12,410	31,045	11,000
Non-current	非流動	185,945	164,128	145,814	126,170
		228,400	176,538	176,859	137,170

25. BORROWINGS (Continued)

Notes:

- (a) Interest of 1% over Hong Kong prime interest rate is charged on the outstanding loan balance (2007: 1% to 4% over Hong Kong prime interest rate) which is repayable on 1 September 2007. On 15 October 2007, the substantial shareholder extended the loan repayment date to on or before 1 September 2008. In addition, the facility amount granted to the Company was also increased from HK\$48,000,000 to HK\$120,000,000. On 30 August 2008, the substantial shareholder further extended the loan repayment date to on or before 31 December 2009.
- (b) The amounts represent the loans granted by companies with SMIL as a common substantial shareholder. The amounts are unsecured, bearing interest at Hong Kong prime interest rate per annum and are repayable on the expiry of 30 calendar months after the year end of the first profitable financial year since 24 January 2003 but no later than the twentieth anniversary of 24 January 2003.

25. 借貸(續)

附註：

- (a) 未償付貸款結餘按港元最優惠利率加1厘收取利息(二零零七年：港元最優惠利率加1厘至4厘)，並為應於二零零七年九月一日償還。於二零零七年十月十五日，該主要股東將貸款償還日期延遲至二零零八年九月一日或之前。此外，授予本公司之融資金額亦由港幣48,000,000元增加至港幣120,000,000元。於二零零八年八月三十日，該主要股東將貸款償還日期進一步延遲至二零零九年十二月三十一日或之前。
- (b) 該款項指SMIL為共同主要股東之公司授予之貸款。該款項為無抵押、按港元最優惠年利率計息及須由二零零三年一月二十四日起首個獲利財政年度年結後30個曆月屆滿時償還，惟付款日最遲為二零零三年一月二十四日起計二十週年當日。

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財務報表附註 截至二零零八年三月三十一日止年度

25. BORROWINGS (Continued)

Notes: (Continued)

(c) At 31 March 2008, the Group and the Company had other loans amounting to HK\$14,928,000 which bear a fixed interest of HK\$2,500,000 and are secured by a pledge by a substantial shareholder of the followings:

- the benefits of all indebtedness due from the Company to the substantial shareholder as mention in note 25(a)
- the 242,583,315 shares in the Company

The loan was originally repayable by six monthly instalments commencing from March 2008. Subsequently, the Group and the Company defaulted the repayment and HK\$11,750,000 has been repaid to the lender up to 4 December 2008. The remaining balance of HK\$5,750,000 was assigned by the lender to a third party ("Assignee") on 4 December 2008. Since then, the balance of HK\$5,750,000 due to the Assignee is unsecured, interest-free and repayable on demand.

(d) The amounts mainly represent the loans of HK\$69,925,000 (2007: HK\$66,148,000) granted by the former shareholders and their subsidiaries and are unsecured, bear interest at Hong Kong prime interest rate per annum and repayable on the expiry of 30 calendar months after the year end of the first profitable financial year since 24 January 2003 but no later than the twentieth anniversary of 24 January 2003.

As at 31 March 2008, the Group had other loans of HK\$27,527,000 (2007: HK\$12,410,000) which are unsecured, interest-free and repayable within 1 year or on demand except for an amount of HK\$3,225,000 (2007: HK\$1,249,000) which bears interest at the rate of 2% to 3% per month (2007: 2% per month).

The remaining amounts of HK\$5,670,000 (2007: HK\$nil), bear interest at the rate of 1% to 2% per month, unsecured and repayable after 1 year but within 2 years except for an amount of HK\$3,500,000 (2007: HK\$nil) which is interest free.

25. 借貸(續)

附註：(續)

(c) 於二零零八年三月三十一日，本集團及本公司擁有其他貸款港幣14,928,000元，固定利息為港幣2,500,000元，且由主要股東提供之質押下列各項作出擔保：

- 誠如附註25(a)所述，本公司應付主要股東之所有債項利益
- 本公司242,583,315股股份

貸款原本自二零零八年三月起每六個月分期償還。本集團及本公司隨後未能還款，直至二零零八年十二月四日已向借貸人償還港幣11,750,000元。借貸人於二零零八年十二月四日轉讓餘下結餘港幣5,750,000元予第三方（「受讓人」）。自此，應付受讓人結餘港幣5,750,000元為無抵押，且屬免息及按要求償還。

(d) 該款項主要指前股東及其附屬公司授予港幣69,925,000元（二零零七年：港幣66,148,000元）之貸款，並為無抵押、按港元最優惠年利率計息及須由二零零三年一月二十四日起首個獲利財政年度年結後30個曆月屆滿時償還，惟付款日最遲為二零零三年一月二十四日起計二十週年當日。

於二零零八年三月三十一日，本集團擁有其他貸款港幣27,527,000元（二零零七年：港幣12,410,000元），屬無抵押、免息及須於一年內或按要求償還，惟港幣3,225,000元（二零零七年：港幣1,249,000元）之款項按每月2厘至3厘（二零零七年：每月2厘）計息則除外。

港幣5,670,000元（二零零七年：港幣零元）之剩餘款項按每月1厘至2厘計息，除港幣3,500,000元（二零零七年：港幣零元）屬免息外，其餘均為無抵押及須於一年後但兩年內償還。

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財務報表附註 截至二零零八年三月三十一日止年度

26. OBLIGATIONS UNDER FINANCE LEASES

At 31 March 2008, the Group had obligations under finance leases payable as follows:

The Group

		Total minimum lease payments 最低租賃款項總額		Present value of minimum lease payments 最低租賃款項現值	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within one year	一年內	-	152	-	150
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	-	-	-	-
		-	152	-	150
Less: Total future interest expenses	減：未來利息開支總額	-	(2)		
Present value of lease obligations	租賃承擔現值	-	150		
Less: Amount due for settlement within one year (shown under current liabilities)	減：於一年內到期之 款項(列於流動 負債)			-	(150)
Amount due for settlement after one year	一年後到期之款項			-	-

It is the Group's policy to lease certain of its assets under finance leases. The lease term is two to three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

26. 融資租賃承擔

於二零零八年三月三十一日，本集團有下列應付融資租賃承擔：

本集團

本集團之政策為以融資租賃方式承租其若干資產，租賃期為二至三年。所有租賃均以固定還款方式訂立，且並無就或然租金款項訂立任何安排。

27. CONVERTIBLE NOTE

Pursuant to a subscription agreement dated 3 February 2005, a convertible note ("the Note") was issued to SMIL, a substantial shareholder of the Company, on 30 April 2005 which expired on 29 April 2007. Holder of the Note has the right at any time to convert all or part of the Note into shares of the Company at the conversion price of HK\$0.05 per share, subject to adjustment. The rate at which interest is charged on the Note is 1.5% per annum on the principal amount between the issue date and the maturity date. Interest is payable by the Company once every six months in arrears so as to produce a constant periodic rate of charge for each accounting period.

The Company has the right at any time upon not less than fourteen days' notice in writing to the Note holder to redeem all or part of the outstanding principal amount of this Note.

On 13 May 2005, pursuant to Condition 11 of the Note, the Company is considered to be in default due to two reasons: (i) trading of the Company's shares on the GEM was suspended for a continuous period of more than ten business days on each of which the GEM is generally open for trading; (ii) failed to pay the Note holder interest accrued. The Note holder has however agreed to waive all its rights to give notice demanding immediate repayment of the principal amount of the Note, interest accrued pursuant to Condition 11(a)(2) of the Note regarding the continuous suspension of trading in the shares on the GEM and Condition 11(f) of the Note regarding the Company's failure to pay the Note holder interest accrued and interest payable between the date of issue of the Note and the maturity date under Condition 3.1 of the Note.

27. 可換股票據

根據於二零零五年二月三日訂立之認購協議，可換股票據（「票據」）於二零零五年四月三十日發行予本公司之主要股東SMIL，並於二零零七年四月二十九日屆滿。票據持有人有權隨時以每股股份港幣0.05元之換股價（可予調整）將全部或部份票據轉換為本公司股份。票據於發行日期至屆滿日期之本金額按年利率1.5厘計息。利息由本公司每六個月支付一次，以便在每個會計期間內，產生穩定之定期費用。

本公司有權於向票據持有人發出書面通知不少於十四日後，隨時贖回票據全部或部份未償還本金額。

於二零零五年五月十三日，根據票據之條件第11條，本公司被視為違約，原因有二：(i)本公司股份連續十個營業日（創業板於所有該等日期整體上均可進行買賣）以上暫停於創業板買賣；(ii)未支付票據持有人應計利息。然而，票據持有人已同意放棄其發出通知要求立即償還下列款項之全部權利：票據本金額及根據票據之條件第11(a)(2)條有關股份在創業板連續暫停買賣之應計利息，以及根據票據之條件第11(f)條因本公司未能支付票據持有人票據之條件第3.1條項下之票據發行日期至屆滿日期之應計利息及應付利息而須支付之應計利息。

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27. CONVERTIBLE NOTE (Continued)

The fair value of the Note at 30 April 2005, the date of issuance of the Note and 13 May 2005 approximated to the corresponding carrying amount in accordance with valuation reports prepared by an independent valuer.

On 19 November 2007, the Note holder exercised its discretion to extend the maturity date of the Note from 29 April 2007 to 31 March 2008. Further on 31 March 2008, the Note holder had further extended the maturity date of the Note to 31 March 2010. The Note had not been converted during the years ended 31 March 2008 and 2007.

The movement of the liability component of the Note for the year is as follows:

27. 可換股票據 (續)

根據獨立估值師編製之估值報告，票據於二零零五年四月三十日(票據之發行日期)及二零零五年五月十三日之公允價值與其賬面值相若。

於二零零七年十一月十九日，票據持有人行使其酌情權，將票據屆滿日期由二零零七年四月二十九日延遲至二零零八年三月三十一日。其後於二零零八年三月三十一日，票據持有人進一步延遲票據屆滿日期至二零一零年三月三十一日。票據於截至二零零八年及二零零七年三月三十一日止年度內仍未轉換。

票據負債部份於本年度之變動如下：

		The Group and the Company	
		本集團及本公司	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Liability component at 1 April	於四月一日之負債部份	49,005	37,541
Interest charge	利息開支	11,201	11,464
Gain on adjustment of amortised cost of convertible note	調整可換股票據攤銷成本之收益	(32,654)	-
Liability component at 31 March	於三月三十一日之負債部份	27,552	49,005
Analysed for reporting purposes as:	作申報用途之分析為：		
Current liability	流動負債	-	49,005
Non-current liability	非流動負債	27,552	-
		27,552	49,005

Notes to the Financial Statements For the year ended 31 March 2008

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27. CONVERTIBLE NOTE (Continued)

Interest expense on the Note is calculated using the effective interest method by applying the effective interest rate of 19.64% per annum from the issue date to 13 May 2005, 28.50% per annum from 14 May 2005 to 29 April 2007 and 28.05% per annum from 30 April 2007 to 31 March 2008 for the liability component.

28. CAPITAL AND RESERVES

(a) The Group

27. 可換股票據 (續)

票據於發行日期至二零零五年五月十三日之利息開支採用實際年利率19.64%按實際利率法計算，而二零零五年五月十四日至二零零七年四月二十九日及於二零零七年四月三十日至二零零八年三月三十一日負債部份之利息則分別採用實際年利率28.50%及28.05%計算。

28. 資本及儲備

(a) 本集團

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
		Share capital	Share premium	Convertible note equity reserve	Shareholders' contribution	Merger reserve	Exchange reserve	Distributable reserve	Fair value reserve	Accumulated losses	Total
		股本	股份溢價	可換股票據權益儲備	股東出資	合併儲備	匯兌儲備	可供分派儲備	公允價值儲備	累積虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2006	於二零零六年四月一日	49,584	127,764	16,432	72,894	121,914	2,347	231,340	(133)	(767,794)	(145,652)
Exchange reserve realised on deconsolidation of a subsidiary	附屬公司不再綜合入賬變現之匯兌儲備	-	-	-	-	-	(2,304)	-	-	-	(2,304)
Change in fair value of available-for-sale investments	可供出售投資之公允價值變動	-	-	-	-	-	-	-	133	-	133
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(104,845)	(104,845)
At 31 March 2007	於二零零七年三月三十一日	49,584	127,764	16,432	72,894	121,914	43	231,340	-	(872,639)	(252,668)
At 1 April 2007	於二零零七年四月一日	49,584	127,764	16,432	72,894	121,914	43	231,340	-	(872,639)	(252,668)
Adjustment of amortised cost of convertible note	可換股票據攤薄成本調整	-	-	6,016	-	-	-	-	-	-	6,016
Deferred tax liability on recognition of equity component of convertible note	確認遞延稅項負債可換股票據之權益部份	-	-	(3,928)	-	-	-	-	-	-	(3,928)
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(50,665)	(50,665)
At 31 March 2008	於二零零八年三月三十一日	49,584	127,764	18,520	72,894	121,914	43	231,340	-	(923,304)	(301,245)

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28. CAPITAL AND RESERVES (Continued)

28. 資本及儲備 (續)

(b) The Company

(b) 本公司

		Attributable to equity shareholders of the Company 本公司權益股東應佔							
		Share capital	Share premium	Convertible note equity reserve	Shareholders' contributions	Distributable reserve	Contributed surplus	Accumulated losses	Total
		股本	股份溢價	可換股票據權益儲備	股東出資	可供分派儲備	繳入盈餘	累積虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2006	於二零零六年四月一日	49,584	127,764	16,432	49,087	231,340	5,589	(601,158)	(121,362)
Loss for the year	年度虧損	-	-	-	-	-	-	(68,171)	(68,171)
At 31 March 2007	於二零零七年三月三十一日	49,584	127,764	16,432	49,087	231,340	5,589	(669,329)	(189,533)
At 1 April 2007	於二零零七年四月一日	49,584	127,764	16,432	49,087	231,340	5,589	(669,329)	(189,533)
Adjustment of amortised cost of convertible note	可換股票據攤銷成本調整	-	-	6,016	-	-	-	-	6,016
Deferred tax liability on recognition of equity component of convertible note	確認遞延稅項負債可換股票據之權益部份	-	-	(3,928)	-	-	-	-	(3,928)
Loss for the year	年度虧損	-	-	-	-	-	-	(28,499)	(28,499)
At 31 March 2008	於二零零八年三月三十一日	49,584	127,764	18,520	49,087	231,340	5,589	(697,828)	(215,944)

(c) Authorised and issued share capital

(c) 法定及已發行股本

		2008 二零零八年		2007 二零零七年	
		No. of shares	Amount	No. of shares	Amount
		股份數目	金額	股份數目	金額
		'000	HK\$'000	'000	HK\$'000
		千股	港幣千元	千股	港幣千元
Authorised:	法定：				
Ordinary shares of \$0.05 each	每股面值港幣0.05元之普通股	4,000,000	200,000	4,000,000	200,000
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1 April 2006, 31 March 2007 and 31 March 2008	於二零零六年四月一日、二零零七年三月三十一日及二零零八年三月三十一日	991,686	49,584	991,686	49,584

28. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Acts of the Cayman Islands.

Under the Companies Acts of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Convertible note equity reserve

The convertible note equity reserve of the Group represents the value of the unexercised equity component of convertible notes issued by the Company recognised in accordance with the accounting policy adopted for convertible note in note 4.

28. 資本及儲備 (續)

(c) 法定及已發行股本 (續)

普通股持有人有權收取不時宣派之股息，並有權在本公司之大會上就每股股份擁有一票投票權。所有普通股就本公司之剩餘資產而言均享有同等權益。

(d) 儲備性質及用途

(i) 股份溢價

股份溢價賬之應用受開曼群島公司法監管。

根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟於緊隨建議分派股息當日後，本公司須有能力償還其於日常業務過程中到期之債務。

(ii) 可換股票據權益儲備

本集團之可換股票據權益儲備指由本公司發行可換股票據之尚未行使權益部份之價值，該價值乃根據附註4就可換股票據所採納之會計政策予以確認。

28. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves (Continued)

(iii) Shareholders' contribution

Shareholders' contribution represents the waiver of loans from shareholders during the year ended 31 March 2003.

(iv) Merger reserve

Merger reserve of the Group represents the difference between the share capital and share premium of the subsidiaries acquired pursuant to the group reorganisation set out in the prospectus of the Company dated 23 May 2000 ("Group Reorganisation"), over the nominal value of the Company's shares issued in exchange therefor.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 4.

(vi) Distributable reserve

Distributable reserve represents the surplus arising from cancellation of paid-up capital upon the reduction of the nominal value of every issued shares from HK\$0.10 to HK\$0.0025 during the year ended 31 March 2003.

28. 資本及儲備(續)

(d) 儲備性質及用途(續)

(iii) 股東出資

股東出資指於截至二零零三年三月三十一日止年度內豁免自股東之貸款。

(iv) 合併儲備

本集團之合併儲備指根據本公司於二零零零年五月二十三日刊發之售股章程載列之集團重組(「集團重組」)所收購附屬公司之股本及股份溢價與就此發行之本公司股份面值間之差額。

(v) 匯兌儲備

匯兌儲備包括換算海外業務之財務報表所產生之所有外匯差額。有關儲備乃根據附註4所載之會計政策處理。

(vi) 可供分派儲備

可供分派儲備指於截至二零零三年三月三十一日止年度將每股已發行股份之面值由港幣0.10元削減至港幣0.0025元而註銷繳足股本所產生之盈餘。

28. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves (Continued)

(vii) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale equity securities held at the balance sheet date and is dealt with in accordance with accounting policy in note 4.

(viii) Contributed surplus

The contributed surplus of the Company represents the difference between the book value of the underlying net assets of the subsidiaries acquired by the Company under the Group Reorganisation and the nominal amount of the Company's shares issued for the acquisition.

(e) Distributability of reserves

At 31 March 2008 and 2007, the Company has no reserves available for distribution to equity shareholders of the Company.

28. 資本及儲備 (續)

(d) 儲備性質及用途 (續)

(vii) 公允價值儲備

公允價值儲備包括於結算日持有可供出售股本證券之公允價值變動之累計淨額，並根據附註4之會計政策處理。

(viii) 繳入盈餘

本公司之繳入盈餘指本公司根據集團重組所收購附屬公司之相關資產淨值賬面值與就收購事項發行之本公司股份面值間之差額。

(e) 儲備分配性

於二零零八年及二零零七年三月三十一日，本公司概無儲備可供分配予本公司權益股東。

28. CAPITAL AND RESERVES (Continued)

(f) 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 and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher level 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.

The Group monitors its capital structure on the basis of a net debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt.

The net debt to equity ratio did not apply as at 31 March 2008 and 2007 as the Group had total deficit for both years. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce existing debt.

28. 資本及儲備(續)

(f) 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根據持續經營基準經營，從而繼續為股東提供回報及為其他權益持有人提供利益，並維持最佳之資本結構以減低資金成本。

本集團積極及定期檢討及管理其資本架構，以在較高股東回報情況下可能伴隨之較高借貸水平與良好之資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變動對資本架構作出調整。

本集團以債務淨額對權益比率為基準監察其資本架構。此比率按債務淨額除以總資本計算。債務淨額按總借貸(包括綜合資產負債表所示之流動及非流動借貸)減去現金及現金等值項目計算。總資本按綜合資產負債表所示之「權益」加上債務淨額計算。

於二零零八年及二零零七年三月三十一日並無應用債務淨額對權益比率，此乃由於本集團於該兩個年度均錄得虧絀總額。為維持或調整比率，本集團可能調整向股東支付股息之金額、發行新股份、向股東退還資本、籌集新債務融資或出售資產以減少現有債務。

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財務報表附註 截至二零零八年三月三十一日止年度

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Disposal of subsidiaries

For the year ended 31 March 2007

On 8 November 2006, the Group disposed of its entire equity interest in Tech Merit Limited ("Tech Merit") for a consideration of HK\$500,000 to an independent third party. Tech Merit hold 80% equity interest in 北京中錄音像有限責任公司.

The details of net liabilities disposed of at the date of disposal were as follows:

		<i>HK\$'000</i> 港幣千元
Net liabilities disposed of	所出售之負債淨額	
Trade and other payables	貿易及其他應付款項	(76)
Amount due to the Group	應付本集團款項	(4,709)
		<u>(4,785)</u>
Amount due from subsidiary written off	應收附屬公司款項撇銷	4,709
Gain on disposal of subsidiaries	出售附屬公司之收益	576
		<u>500</u>
Consideration	代價	500
Satisfied by:	支付由：	
Consideration receivable	應收代價款項	500
		<u>500</u>
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司之現金及現金等值項目之流出淨額	<u>—</u>

The results of the subsidiaries disposed of during the year ended 31 March 2007 have no significant impact on the Group's turnover or loss from operations before taxation for the year ended 31 March 2007.

29. 綜合現金流量表附註

(a) 出售附屬公司

截至二零零七年三月三十一日止年度

於二零零六年十一月八日，本集團以港幣500,000元代價出售其於Tech Merit Limited (「Tech Merit」)之全部股權予一名獨立第三方。Tech Merit持有北京中錄音像有限責任公司80%股權。

於出售日期所出售之負債淨額詳情如下：

		<i>HK\$'000</i> 港幣千元
所出售之負債淨額		
貿易及其他應付款項		(76)
應付本集團款項		(4,709)
		<u>(4,785)</u>
應收附屬公司款項撇銷		4,709
出售附屬公司之收益		576
		<u>500</u>
代價		500
支付由：		
應收代價款項		500
		<u>500</u>
出售附屬公司之現金及現金等值項目之流出淨額		<u>—</u>

於截至二零零七年三月三十一日止年度所出售之附屬公司之業績對本集團於截至二零零七年三月三十一日止年度之營業額或除稅前營運虧損並無重大影響。

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Deconsolidation of a subsidiary

For the year ended 31 March 2007

The Group had 100% equity interest in a subsidiary, 東方魅力資訊科技股份有限公司 (“東方魅力資訊”). The directors of the Company considered 東方魅力資訊 was in the process of liquidation and the Company were therefore unable to exercise control over the financial and operating decisions of 東方魅力資訊. They were also unable to obtain access to the books and records and the supporting documents. The directors of the Company considered they had lost control over 東方魅力資訊 and have deconsolidated 東方魅力資訊 with effect from 1 April 2006.

29. 綜合現金流量表附註 (續)

(b) 附屬公司不再綜合入賬

截至二零零七年三月三十一日止年度

本集團於附屬公司東方魅力資訊科技股份有限公司(「東方魅力資訊」)擁有100%股權。本公司董事認為東方魅力資訊進行清盤，因此，本公司未能於東方魅力資訊之財務及經營決策上行使控制權。彼等亦無法查閱其賬冊、紀錄及證明文件。本公司董事認為，彼等已失去東方魅力資訊之控制權，而終止將東方魅力資訊綜合入賬由二零零六年四月一日起生效。

		HK\$'000 港幣千元
Net assets deconsolidated comprise	資產淨值不再綜合入賬包括	
Trade and other receivables	貿易及其他應收款項	73
Bank balance and cash	銀行結餘及現金	6
Amount due to the Group	應付本集團款項	(30,297)
		(30,218)
Amount due from subsidiary written off	應收附屬公司款項撇銷	30,297
Exchange reserve realized	匯兌儲備變現	(2,304)
Gain on deconsolidation of a subsidiary	附屬公司不再綜合入賬之收益	2,225
		—
Net outflow of cash and cash equivalents arising on deconsolidation of a subsidiary:	附屬公司不再綜合入賬所產生之現金及現金等值項目流出淨額：	
Cash of a subsidiary deconsolidated	附屬公司不再綜合入賬之現金	(6)
Net outflow of cash and cash equivalents	現金及現金等值項目流出淨額	(6)

The subsidiary deconsolidated did not have significant cash flows attributable to the Group during the year ended 31 March 2007.

於二零零七年三月三十一日止年度內附屬公司不再綜合入賬並無對本集團產生大量現金流量。

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財務報表附註 截至二零零八年三月三十一日止年度

30. OPERATING LEASE COMMITMENTS

At 31 March 2008, the total future minimum lease payments under operating leases are payable as follows:

30. 經營租賃承擔

於二零零八年三月三十一日，根據經營租賃應付之未來最低租賃款項總額如下：

		The Group 本集團			
		Office premises 辦公室物業		Machinery 機器	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within one year	一年內	4,034	3,129	399	398
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	3,152	1,294	199	597
		7,186	4,423	598	995

Operating lease payments represent rentals payable by the Group for certain of its office premises and machinery. Leases are negotiated for an average term of three years and rentals are fixed throughout the lease period.

經營租賃款項指本集團就其若干辦公室物業及機器應付之租金。經磋商釐定之租約年期平均為三年，租約期內租金固定。

31. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

On 15 January 2002, the Company adopted a share option scheme (the "Option Scheme") under which the board of directors of the Company may at its discretion offer to any director (including non-executive director), executive, employee and contracted celebrity (the "Eligible Persons") of the Group options to subscribe for shares in the Company in accordance with the terms of the Option Scheme and Chapter 23 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The principal purposes of the Option Scheme are to recognise the significant contributions of the Eligible Persons to the growth of the Group. The total number of shares which may be issued upon exercise of all options to be granted under the Option Scheme and any other outstanding share option schemes of the Company must not in aggregate exceed 10% of the issued share capital of the Company at the date of the approval of the Option Scheme by the Shareholders and such limit might be refreshed by the shareholders of the Company in general meetings. The Option Scheme commenced on 15 January 2002 and will end on the day immediately prior to the tenth anniversary of 15 January 2002. The share options vested immediately at the time when granted.

The Company did not grant any share options under the Option Scheme during the year.

31. 權益結算以股份為基礎之交易

於二零零二年一月十五日，本公司採納一項購股權計劃（「購股權計劃」），根據該計劃，本公司董事會可酌情向任何董事（包括非執行董事）、行政人員、僱員及本集團合約藝人（「合資格人士」）授出根據購股權計劃條款及聯交所創業板證券上市規則第23章可認購本公司股份之購股權。購股權計劃之主要目的為確認合資格人士對本集團增長之重大貢獻。行使根據購股權計劃及本公司之任何其他尚未完成購股權計劃授出之所有購股權時可發行之股份總數不得超過本公司於購股權計劃獲股東批准之日期之已發行股本之10%，而該限制可能於股東大會由本公司股東更新。購股權計劃於二零零二年一月十五日開始及於緊接二零零二年一月十五日十週年前當日完結。購股權於授出時間時即時被歸屬。

年內本公司並無根據購股權計劃授出任何購股權。

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財務報表附註 截至二零零八年三月三十一日止年度

31. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

The following table discloses details of the Company's share options held by the directors, employees and contracted celebrities of the Group and movements in such holdings during the year ended 31 March 2007:

Name or category of participant	Date of grant	Exercisable period	Exercise price per share	Outstanding/ exercisable balance as at 1/4/2006 於二零零六年 四月一日 未行使/ 可行使結餘	Granted during the year	Exercised during the year	Lapsed upon resignation	Outstanding/ exercisable balance as at 31/3/2007 於二零零七年 三月三十一日 未行使/ 可行使結餘
參與者名稱 或類別	授出日期	行使期間	每股行使價 HK\$ 港幣元		年內授出	年內行使	辭呈時失效	
Employees in aggregate	13/8/2003	13/8/2003 to 12/8/2013	0.395	9,651,600	-	-	9,651,600	-
僱員總數	二零零三年 八月十三日	二零零三年 八月十三日至 二零一三年 八月十二日至	0.395	9,651,600	-	-	9,651,600	-

No share options were outstanding at 31 March 2008 and 2007.

As all grants of share options vested on or before 1 January 2005 and accordingly, no adjustment is made in the Group's financial statements pursuant to the transitional provisions as set out in HKFRS 2.

31. 權益結算以股份為基礎之 交易 (續)

下表披露截至二零零七年三月三十一日止年度內本集團董事、僱員及合約藝人持有之本公司購股權及該等購股權持有情況之變動：

於二零零八年及二零零七年三月三十一日概無購股權尚未行使。

由於所有購股權於二零零五年一月一日或之前已歸屬，因此，於本集團之財務報表中並無根據香港財務報告準則第2號之過渡條款作出調整。

32. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

The Group has no other obligation for the payment of post-retirement benefits beyond the contributions described above.

The total cost charged to consolidated income statement of HK\$1,621,000 (2007: HK\$2,403,000) represents contribution payable to these schemes by the Group in respect of the current accounting period. As at 31 March 2008, contributions of HK\$5,017,000 (2007: HK\$2,560,000) due in respect of the current and prior reporting period had not been paid over to the schemes.

32. 退休福利計劃

本集團根據香港強制性公積金計劃條例為其根據香港僱傭條例在司法權區內聘用之僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃由獨立信託人管理定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%向計劃供款，每月相關收入之上限為港幣20,000元。計劃之供款即時歸屬。

除上文所述之供款外，本集團並無其他責任支付退休後福利。

於綜合收益表扣除之費用總額港幣1,621,000元(二零零七年：港幣2,403,000元)乃指本會計期間本集團向該等計劃應付之供款。於二零零八年三月三十一日，本集團並未向有關計劃支付於現時及過往申報期間應付之供款港幣5,017,000元(二零零七年：港幣2,560,000元)。

33. CONTINGENT LIABILITIES

There were several cases brought forward from prior years related to defamation and infringement of copyright that remained unresolved. All of them were brought against Sing Pao Newspaper Company Limited, a wholly-owned subsidiary of the Group. Court judgments have not been stated and the amounts claimed were in aggregate totaling to approximately HK\$517,000. In the directors' opinion, the liabilities are unlikely to crystallize and no provision had therefore been made in respect of these claims.

During the year, the Group and the Company have received various claims in relation to default payments including mandatory provident fund contributions of HK\$3,616,000, salary of HK\$4,786,000, payment of provision of goods and services of HK\$1,537,000, annual listing fee of HK\$300,000 and penalty for delay in mandatory provident fund contributions payment of HK\$69,000 etc. All of the balances have been properly accounted for in the financial statements.

33. 或然負債

過往年度提出及於財政年度發生之若干誹謗侵犯版權案件仍有待解決。所有該等案件均針對本集團之全資附屬公司成報報刊有限公司提出。法庭判決尚未裁定，而索償總金額合共約港幣517,000元。董事認為，負債未必明確化，因此，毋須就此等申索作出撥備。

年內，本集團及本公司接獲多項有關拖欠款項之申索，包括強制性公積金供款港幣3,616,000元、薪金港幣4,786,000元、獲提供貨品及服務之付款港幣1,537,000元、上市年費港幣300,000元及延遲支付強制性公積金供款罰款港幣69,000元等。所有結欠已適當地計入財務報表。

33. CONTINGENT LIABILITIES (Continued)

In addition, in July 2007, a licensee of Sing Pao Newspaper Company Limited ("SPNCL"), a subsidiary of the Group, acts as the defendant in a legal claim in relation to an action for copyright infringement, issued a third party notice to SPNCL. The defendant claimed against SPNCL for indemnity against the plaintiff's claims and the costs of the action or contribution in respect of the plaintiff's claims. A defence was filed by the Group on March 2008 denying all allegations against the Group. Judgment has not been stated up to 5 February 2009. In the directors' opinion, the liabilities are unlikely to crystallize and no provision had therefore been made in respect of the claim.

Further on 18 December 2007, a supplier of the Group has appointed an arbitrator in relation to a trade dispute with SPNCL, for the early termination of a purchase contract in July 2007 and the unpaid goods provided to the Group for the years ended 31 March 2007 and 2008. The supplier claimed a sum of HK\$7,468,000 (2007: HK\$5,506,000) against the Group for compensation. The application had been withdrawn by the applicant on 26 July 2008 and the arbitrator had also ceased to act as the arbitrator on 28 July 2008. On 1 August 2008, SPNCL reached an agreement with the supplier pursuant to which SPNCL agreed to settle the unpaid goods of HK\$341,000 and the related arbitration costs of HK\$114,000 as full and final settlement of the claim. The amounts were settled in December 2008.

33. 或然負債 (續)

此外，於二零零七年七月，本集團附屬公司成報報刊有限公司(「成報報刊公司」)之持牌人(作為侵犯版權訴訟有關之法律申索中之被告人)向成報報刊公司發出第三方通知。被告人向成報報刊公司就針對原告人之申索及有關原告人申索之訴訟成本或分擔費用申索彌償。本集團已於二零零八年三月作出抗辯，否認所有針對本集團之指稱。有關案件截至二零零九年二月五日尚未獲得判決。董事認為，負債未必明確化，因此毋須就有關申索作出撥備。

其後於二零零七年十二月十八日，本公司一名供應商就其之商業糾紛委任仲裁人，事件涉及成報報刊公司於二零零七年七月提早終止購買合約以及於截至二零零七年及二零零八年三月三十一日止年度向本集團提供之未付款貨品。供應商向本集團申索共港幣7,468,000元(二零零七年：港幣5,506,000元)作為賠償。有關申請已於二零零八年七月二十六日由申請人撤銷，而仲裁人亦已於二零零八年七月二十八日不再擔任仲裁人。於二零零八年八月一日，成報報刊公司與供應商達成協議，據此，成報報刊公司同意支付未付款貨品港幣341,000元及相關仲裁費用港幣114,000元，作為有關申索之完全及最終解決。有關款項已於二零零八年十二月支付。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

34. RELATED PARTY TRANSACTIONS

34. 關連人士交易

Name of related parties 關連人士名稱	Relationship 關係
Mr. Li Rong Wei Li Rong Wei先生	Former individual shareholder of the Company 本公司前個人股東
SMIL SMIL	A substantial shareholder of the Company 本公司主要股東
Star East Management 東方魅力管理	Mr. Wang Fei is the common director 王飛先生為共同董事
SMI Corporation Limited ("SMI Corporation") 星美國際集團有限公司 (「星美國際集團」)	Mr. Qin Hong is the common director and SMIL is the common substantial shareholder 覃宏先生為共同董事，而SMIL 則為共同主要股東

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

34. RELATED PARTY TRANSACTIONS (Continued)

- (a) In addition to the transactions disclosed elsewhere in the financial statements, the Group also entered into the following related party transactions during the year.

34. 關連人士交易 (續)

- (a) 除於財務報表其他部份披露之交易外，年內本集團亦訂立以下關連人士交易。

		The Group	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest expenses on amount due to Mr. Li Rong Wei	應付Li Rong Wei先生款項之利息開支	-	21
Interest expenses on loan from SMIL	自SMIL之貸款之利息開支	7,008	7,948
Interest expenses on loan from Star East Management	自東方魅力管理之貸款之利息開支	82	91
Interest expenses on loan from SMI Corporation	自星美國際集團之貸款之利息開支	314	346

During the year, 242,583,315 shares of the Company owned by SMIL were pledged for loan facilities granted to the Company. The pledged shares were released on 4 December 2008 (see note 25 (c)).

年內，由SMIL擁有之本公司242,583,315股股份已作為本公司獲授予貸款融資之抵押。有關抵押股份已於二零零八年十二月四日解除（見附註25(c)）。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12 and certain of the highest paid employees as disclosed in note 13 is as follows:

Salaries and other short-term employee benefits	薪金及其他短期 僱員福利
Retirement scheme contributions	退休計劃供款

Total remuneration is included in "staff costs" (see note 9(b)).

34. 關連人士交易 (續)

(b) 主要管理人員酬金

本集團主要管理人員酬金包括支付予本公司董事(如附註12所披露)及若干最高薪僱員(如附註13所披露)之款項如下:

The Group		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		2,614	5,018
		60	54
		2,674	5,072

酬金總額已計入「員工成本」內(見附註9(b))。

Notes to the Financial Statements For the year ended 31 March 2008

財務報表附註 截至二零零八年三月三十一日止年度

34. RELATED PARTY TRANSACTIONS (Continued)

34. 關連人士交易 (續)

(c) Amount due from/(to) related parties

(c) 應收／(應付)關連人士款項

		Note	The Group 本集團		The Company 本公司	
			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Star East Management	東方魅力管理	(i)	7	29	-	-
		(ii)	(1,365)	(1,283)	-	-
SMIL	SMIL	(i) & (iii)	(4,663)	1,000	(1,745)	-
		(ii)	(103,164)	(91,190)	(103,164)	(91,190)
Mr. Li Rong Wei	Li Rong Wei先生	(iii)	-	(419)	-	-
SMI Corporation	星美國際集團	(ii)	(5,821)	(5,507)	(5,821)	(5,506)

Notes:

- (i) The amounts are included in "Trade and other receivables" in the consolidated balance sheet and details of the terms and conditions of the amounts due are disclosed in note 21.
- (ii) The amounts are included in "Borrowings" in the consolidated balance sheet and details of the terms and conditions of the loans are disclosed in note 25.
- (iii) The amount is included in "Trade and other payables" in the consolidated balance sheet and details of the terms and conditions of the amount due is disclosed in note 23.

附註：

- (i) 該款項已計入綜合資產負債表所列之「貿易及其他應收款項」內，而到期款項之條款及條件詳情於附註21披露。
- (ii) 該款項已計入綜合資產負債表所列之「借貸」內，而貸款之條款及條件詳情於附註25披露。
- (iii) 該款項已計入綜合資產負債表所列之「貿易及其他應付款項」內，而到期款項之條款及條件詳情於附註23披露。

35. PARENT AND ULTIMATE HOLDING COMPANY

At 31 March 2008, the directors consider the parent and ultimate controlling party of the Group to be SMIL, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

36. EVENTS AFTER THE BALANCE SHEET DATE

Other than those disclosed elsewhere in the financial statements, the Group have the following significant events after the balance sheet date need to be disclosed:

- (a) The Group has received the following claims in relation to default payment subsequent to the balance sheet date:

On April 18 2008, a winding up petition was filed by two corporations against SPNCL in the High Court of HKSAR (the "High Court") in relation to the unpaid goods and services provided during the years ended 31 March 2006 and 2007 of approximately HK\$650,000. The amount has been properly accounted for in the financial statements and was settled on 25 June 2008. The action was dismissed on 30 June 2008.

In April 2008, the Mandatory Provident Fund Schemes Authority applied to the High Court to claim for default contributions of HK\$731,000 for the period from October 2007 to December 2007. The amounts have been properly accounted for in the financial statements and were fully settled in April 2008.

35. 母公司及最終控股公司

於二零零八年三月三十一日，董事認為本集團之母公司及最終控股人士為SMIL，一間於英屬處女群島註冊成立之公司。該實體並無編製可供公眾查閱之財務報表。

36. 結算日後事項

除於財務報表其他部份所披露者外，於結算日後本集團須披露下列重大事項：

- (a) 於結算日後，本集團收到以下有關拖欠付款之申索：

於二零零八年四月十八日，兩間公司就截至二零零六年及二零零七年三月三十一日止年度提供之未獲支付貨品及服務約港幣650,000元，向香港特區高等法院（「高等法院」）提出對成報報刊公司之清盤呈請。該款項已適當地計入財務報表內，並已於二零零八年六月二十五日償還。有關訴訟已於二零零八年六月三十日撤銷。

於二零零八年四月，強制性公積金計劃管理局向高等法院申請由二零零七年十月至二零零七年十二月期間之欠交供款申索港幣731,000元。該款項已適當地計入財務報表內，並已於二零零八年四月全數償還。

**36. EVENTS AFTER THE BALANCE SHEET DATE
(Continued)**

(a) (Continued)

In July 2008, Sing Pao Newspaper Assets Limited, a subsidiary of the Company, was claimed by the Commissioner of Inland Revenue for outstanding income tax for the years of assessment 2002/03 to 2005/06 of approximately HK\$7,863,000. The Company lodged an objection against assessments demanding final tax for the years of assessment 2002/03 to 2005/06 and the tax was held over unconditionally by the Inland Revenue Department due to the objection was under consideration. The amounts have been properly accounted for in the financial statements and the balance remains outstanding up to 5 February 2009.

On 6 October 2008, a winding up petition was filed by a corporation against SPNCL in the High Court in relation to the unpaid services provided during the years ended 31 March 2006 and 2007 of approximately HK\$180,000. The amounts of HK\$165,000 has been properly accounted for in the financial statements and a balance of HK\$140,000 was settled up to 16 October 2008. The remaining balances were waived by the petitioner.

36. 結算日後事項 (續)

(a) (續)

於二零零八年七月，本公司附屬公司成報報刊資產有限公司收到稅務局局長就二零零二／零三至二零零五／零六課稅年度之尚未支付入息稅約港幣7,863,000元之申索。本公司就二零零二／零三至二零零五／零六課稅年度之最終稅款申索評審提出反對，由於稅務局仍在考慮有關反對中，故准予該稅款無條件緩繳。該款項已適當地計入財務報表內，而截至二零零九年二月五日結餘尚未清付。

於二零零八年十月六日，一間公司就截至二零零六年及二零零七年三月三十一日止年度提供之未獲支付服務約港幣180,000元，向高等法院提出對成報報刊公司之清盤呈請。港幣165,000元之款項已適當地計入財務報表內，而截至二零零八年十月十六日港幣140,000元之結餘已予償還。餘下結餘已獲呈請人豁免。

**36. EVENTS AFTER THE BALANCE SHEET DATE
(Continued)**

- (b) On 23 April 2008, the Company entered into a loan agreement with Billion Wealth Group Limited (“Billion Wealth”), an independent third party whereby Billion Wealth agreed to extend to the Company a loan facility of up to the aggregate principal sum of HK\$60,000,000. The loan is interest free and the Company shall repay the loan in full on the date falling on the expiry of 24 months from the date on which the loan is made or any other later date as may be mutually agreed in writing by the Company and Billion Wealth.

As a security for the Company’s performance of its repayment obligations under the loan agreement, the loan facility is secured by the following:

- (i) the 261,473,945 shares of the Company held by SMIL;
- (ii) the assignment by SMIL to Billion Wealth of all the rights, title and benefits in the shareholders’ loan due to SMIL by the Company (*note 25(a)*); and
- (iii) the assignment by SMIL to Billion Wealth of all the rights, title and benefits in the convertible note issued by the Company to SMIL (*note 27*).

36. 結算日後事項 (續)

- (b) 於二零零八年四月二十三日，本公司與獨立第三方 Billion Wealth Group Limited (「Billion Wealth」) 訂立一項貸款協議，據此，Billion Wealth 同意向本公司擴大一項貸款融資至本金總額不多於港幣 60,000,000 元。貸款為免息，而本公司須於授出貸款日期起計滿 24 個月當日或本公司及 Billion Wealth 可能互相書面同意之任何其他較後日期悉數償還貸款。

作為本公司履行其於貸款協議項下之還款責任之保證，貸款融資由下列各項抵押：

- (i) S M I L 持有之本公司 261,473,945 股股份；
- (ii) SMIL 向 Billion Wealth 轉讓本公司應付 SMIL 之股東貸款之一切權利、所有權及利益 (*附註 25(a)*)；及
- (iii) SMIL 向 Billion Wealth 轉讓本公司向 SMIL 發行可換股票據之一切權利、所有權及利益 (*附註 27*)。

36. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

- (c) On 30 April 2008, the Company entered a loan agreement with SMIL agreed to extend to the Company a loan facility of up to the aggregate principal sum of HK\$40,000,000. The amount is unsecured, interest-free and repayable in full on the date falling on the expiry of 24 months from the date on which the loan is made or any other later date as may be mutually agreed in writing by the Company and SMIL.

37. COMPARATIVE FIGURES

As a result of adopting 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 2008. Further details of these developments are disclosed in note 3.

In addition, certain comparative figures have been restated or reclassified to conform with the current year's presentation.

36. 結算日後事項 (續)

- (c) 於二零零八年四月三十日，本公司與SMIL訂立一項貸款協議，據此，SMIL同意向本公司擴大一項貸款融資至本金總額不多於港幣40,000,000元。該款項為無抵押，且屬免息，並須於授出貸款日期起計滿24個月當日或本公司及SMIL可能互相書面同意之任何其他較後日期悉數償還。

37. 比較數字

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號修訂「財務報表之呈列方式：股本披露」，若干比較數字已予調整，以符合本年度披露之變動，並就二零零八年首次披露之項目獨立顯示比較金額。該等發展之進一步詳情於附註3披露。

此外，若干比較數字已予重列或重新分類，以符合本年度之呈列方式。

Five Year Financial Summary For the year ended 31 March 2008

五年財務摘要 截至二零零八年三月三十一日止年度

RESULTS

業績

For the year ended 31 March
截至三月三十一日止年度

		2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Turnover	營業額	116,882	108,696	84,051	67,754	48,558
Cost of sales	銷售成本	(149,469)	(147,437)	(129,331)	(101,356)	(69,022)
Gross loss	虧損毛額	(32,587)	(38,741)	(45,280)	(33,602)	(20,464)
Other revenue and net income	其他收益及收入淨額	3,782	2,484	3,685	3,067	37,387
Distribution costs	發行成本	(10,357)	(18,555)	(2,691)	(2,162)	(617)
Administrative expenses	行政開支	(53,916)	(39,371)	(40,635)	(37,062)	(40,470)
Impairment losses recognised, net	已確認減值虧損淨額	(1,764)	-	(828)	(1,788)	(850)
(Loss)/gain on disposal of subsidiaries	出售附屬公司(虧損)/收益	(4,913)	-	-	576	-
(Loss)/gain on deconsolidation of a subsidiary	附屬公司不再綜合入賬之(虧損)/收益	-	-	(9)	2,225	-
Unrealised (loss)/gain on investments in securities	證券投資之未變現(虧損)/收益	250	(16)	-	-	-
Loss on disposal of available-for-sale investments	出售可供出售投資虧損	-	-	-	(232)	-
Loss from operations	營運虧損	(99,505)	(94,199)	(85,758)	(68,978)	(25,014)
Finance costs	財務成本	(3,882)	(4,746)	(15,733)	(24,213)	(26,413)
Share of result of an associate	分佔一間聯營公司業績	(496)	(1,755)	(866)	(579)	(138)
Loss before taxation	除稅前虧損	(103,883)	(100,700)	(102,357)	(93,770)	(51,565)
Income tax	所得稅	-	-	1,385	(11,075)	900
Loss for the year	年度虧損	(103,883)	(100,700)	(100,972)	(104,845)	(50,665)
Attributable to:-	下列人士應佔:-					
- Equity shareholders of the Company	- 本公司權益股東	(103,865)	(100,692)	(100,972)	(104,845)	(50,665)
- Minority interests	- 少數股東權益	(18)	(8)	-	-	-
		(103,883)	(100,700)	(100,972)	(104,845)	(50,665)

ASSETS AND LIABILITIES

資產及負債

As at 31 March
於三月三十一日

		2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Total assets	資產總額	122,149	81,705	49,893	32,722	11,422
Total liabilities	負債總額	(106,198)	(142,737)	(195,545)	(285,390)	(312,667)
Minority interests	少數股東權益	(8)	-	-	-	-
		15,943	(61,032)	(145,652)	(252,668)	(301,245)

