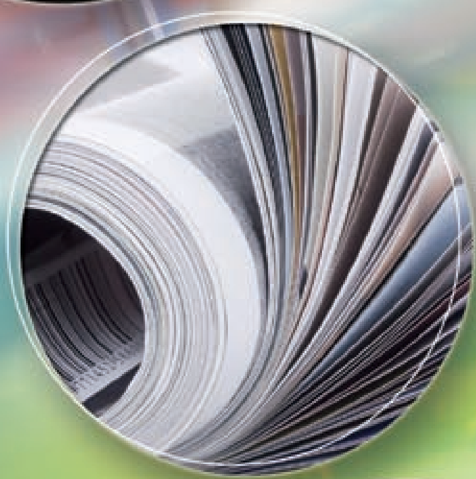
Info Communication Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8082

ANNUAL REPORT 2009



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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

CONTENTS

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chui Bing Sun *(Chairman)*
Mr. Lee Chi Shing, Caesar

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kwan Hung
Mr. Leung Chi Kong
Mr. Chan Wai Man

COMPANY SECRETARY

Mr. Lee Chi Shing, Caesar

QUALIFIED ACCOUNTANT

Mr. Lee Chi Shing, Caesar CPA ACCA

COMPLIANCE OFFICER

Mr. Lee Chi Shing, Caesar

AUDIT COMMITTEE

Mr. Leung Chi Kong
Mr. Kwok Kwan Hung
Mr. Chan Wai Man

REMUNERATION COMMITTEE

Mr. Leung Chi Kong
Mr. Kwok Kwan Hung
Mr. Chan Wai Man

AUTHORISED REPRESENTATIVES

Mr. Chui Bing Sun
Mr. Lee Chi Shing, Caesar

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2406
Nan Fung Tower
173 Des Voeux Road Central
Hong Kong

COMPANY HOMEPAGE

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

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKERS

Standard Chartered Bank
Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

STOCK CODE

8082

Chairman's Statement

On behalf of the Board of Directors (the "Directors") of Info Communication Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2009.

CORPORATE PROFILE

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

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

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

RESULTS AND DIVIDENDS

For the year ended 31 March 2009, the Group recorded a turnover of approximately HK$68,869,000 (2008: approximately HK$88,545,000) and a net loss attributable to equity holders of the Company of approximately HK$36,136,000 as compared to a net profit of approximately HK$7,432,000 for the corresponding period in the previous financial year. The basic loss per share was HK3.76 cents (2008: the basic earning per share was HK0.87 cents).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2009 (2008: Nil).

Chairman's Statement

BUSINESS REVIEW

During the year ended 31 March 2009, exhibition organisation business was still the core business of the Group. The Group generated exhibition organisation income of approximately HK$66.9 million, representing a decrease of 21.8% when compared with prior year. The Company will continue to exercise stringent cost control under limited funding situation. Furthermore, the Directors will use its best endeavors to explore further investment opportunities in various kinds of exhibition fairs with an aim to enhancing the Group's revenue stream and turning the bottom-line around.

During the year ended 31 March 2009, the Group organised certain exhibitions in Vietnam, Malaysia and in major cities in the People's Republic of China (the "PRC") including Hong Kong. Details of some major exhibitions are set out below:

Date	Exhibition
28 April – 1 May 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Hong Kong International Auto Parts & Accessories Fair
23-26 May 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Asia International Arts & Antiques Fair 2008
10-13 June 2008 Guangdong Modern International Exhibition Center, Dongguan, the PRC	Linkage 2008-20th China Dongguan, International Linkage Industry, Mould & Die Exhibition, 16th China Dongguan International Plastics & Packaging Exhibition
16-19 July 2008 Putra World Trade Centre, Kuala Lumpur, Malaysia	19th Malaysia International Rubber, Plastic, Mould and Die Industry Technology Exhibition
23-26 July 2008 Putra World Trade Centre, Kuala Lumpur, Malaysia	19th Malaysia International Sign & Digital Printing 2008
23-26 July 2008 Putra World Trade Centre, Kuala Lumpur, Malaysia	19th Malaysia International Food Processing & Packaging Exhibition

Chairman's Statement

Date	Exhibition
25-27 July 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Hong Kong Int'l Pet & Aqua Accessory Expo 2008
3-6 September, 2008 Suzhou International Expo Center, Suzhou, the PRC	5th Suzhou International Linkage Industry Exhibition – China East Int'l Machine Tool & Mold Technology Exhibition China East Int'l Plastics, Packaging & Rubber Technology Exhibition
23-26 September 2008 Wuhan Int'l Convention & Exhibition Center, Wuhan, the PRC	9th China International Machinery & Electronic Products Expo, Wuhan
30 October – 2 November 2008 SECC-Saigon Exhibition & Convention Center Vietnam	8th Vietnam Int'l Machine Tool Industry Exhibition incorporating Electricity & Energy Exhibition
11-14 November 2008 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	10th China Dongguan International Mould & Metalworking Exhibition
19-22 November 2008 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	10th China Dongguan International Plastics, Packaging, Rubber, Diecasting & Foundry Exhibition
13-16 November 2008 SECC-Saigon Exhibition & Convention Center, Vietnam	8th Vietnam Int'l Plastics, Rubber Industry Exhibition
11-14 December 2008 SECC-Saigon Exhibition & Convention Center, Vietnam	8th Vietnam Int'l Textile & Garment Industry and Apparel Accessories Exhibition

Date	Exhibition
11-14 December 2008 SECC-Saigon Exhibition & Convention Center, Vietnam	Vietnam Int'l Footwear & Leather Machinery & Material 2008
4-7 March 2009 Guangdong Modern International Exhibition Center, Dongguan, the PRC	10th China (Dongguan) Int'l Textile & Clothing Industry Fair
4-7 March 2009 Guangdong Modern International Exhibition Center, Dongguan, the PRC	10th China (Dongguan) Int'l Footwear Machinery & Material Industry Fair

Apart from the exhibition organisation business, the Group also engaged in an acquisition of certain coal mining interest in China during the year. However, due to unfavourable market condition as a result of the financial tsunami, the acquisition was ceased subsequent to the balance sheet date.

FINANCIAL REVIEW

For the year ended 31 March 2009, the Group recorded a revenue of approximately HK$68.9 million, representing a decrease of approximately HK$19.6 million or 22.2% as compared to the Group's revenue for the previous financial year which amounted to approximately HK$88.5 million. Such decrease in the Group's revenue was mainly attributable to the declined number of exhibitors as a result of competitive and challenging business environment, and the outbreak of the financial tsunami.

The exhibition costs increased to approximately HK$32,600,000 from approximately HK$23,603,000 recorded in prior year. This was mainly because the Group launched a subsidising scheme to exhibitors by providing booth construction and decoration and forwarder services free of charge to counter the effect of the financial tsunami.

The staff costs increased to approximately HK$22,335,000 or 14.3% when compared to previous year as a result of the increase in the total number of staff and general level of staff salaries.

The net loss attributable to equity holders of the Company for the year ended 31 March 2009 was approximately HK$36 million. The loss was mainly attributable to the substantial increase of exhibition costs as a result of upgrading the overall quality of the exhibition services, especially those high-end exhibitions such as "Asia International Arts & Antiques Fair", so as to strengthen our leading position. Other major factor causing such loss was due to the increase in impairment loss recognised in respect of goodwill of approximately HK$6,800,000.

Chairman's Statement

AUDIT OPINION

The independent auditors (the "auditors") of the Company have issued a disclaimer of opinion on the financial statements of the Group for the year under review. Details of the auditors' report are set out in the "Independent Auditors' Report" and the matters referred to therein are discussed below.

Existence and valuation of a deposit for acquisition of mining interests and related borrowings

The Group has included in its consolidated balance sheet as at 31 March 2009 a deposit and related borrowings of US$20,000,000 (equivalent to approximately HK$156,000,000) for a possible acquisition as described below.

On 27 May 2008, the Company announced that Billion Station Limited ("BSL"), a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Agreement") on 18 April 2008 with, amongst others, an independent third party (the "Vendor") to acquire the entire equity interest in Triumph Fund A Limited (the "Target") which will undergo a restructuring and will hold companies (together with the Target, the "Target Group") having certain coal mining interests in the PRC (the "Coal Mines") upon completion of the Agreement. The management expected that such investment would bring considerable return and long term benefits for the Group. Pursuant to the terms of the Agreement, the Group had paid a deposit in the amount of US$20,000,000 (equivalent to approximately HK$156,000,000) (the "Deposit") which was retained in an account maintained by one of the companies within the Target Group for the purpose of completing the necessary group reorganisation of the Target contemplated under the Agreement. The Deposit was refundable to the Group with interest thereon at 6% per annum if the Agreement does not complete, and was financed by loans in the same amount (the "Borrowings") extended by Linden Ventures III (BVI) Limited and CMTF Private Equity One (the "Lenders").

Subsequent to the signing of the Agreement, due diligence and execution work were carried out by the Group with an objective to completing the Agreement. However, due to the unfavourable market situation caused by the financial tsunami in late 2008, on 31 March 2009, the Company announced that the Group had given notice to the Vendor to terminate the Agreement. Following termination of the Agreement, the Group and the Vendor commenced negotiations with a view to reaching revised terms for the acquisition of the Coal Mines. The Deposit had therefore not been refunded to the Group and the Vendor agreed to pay interest on the Deposit pending the outcome of the negotiations. A memorandum of understanding (the "MOU") was signed by, amongst others, BSL and the Vendor on 26 June 2009 on the revised terms for the acquisition of the Coal Mines, pursuant to which the parties have also agreed that the Deposit would be applied towards the settlement of the acquisition of the Coal Mines if a binding sale and purchase agreement for the revised terms could be entered into.

On 27 July 2009, the Vendor notified BSL that he did not intend to proceed with the transaction contemplated under the MOU. The parties subsequently agreed that the Deposit together with interest accrued thereon would be returned and applied directly to settle the Borrowings with the Lenders and/or their assignees in September 2009. In conjunction with this, the Lenders and/or its assignees have executed deeds of release (the "Deeds"), pursuant to which all the obligations of BSL in respect of the Borrowings have been fully discharged upon the direct settlement by the Vendor and the Group ceased to be liable to the Lenders and/or its assignees for any obligations, indebtedness and liabilities. Details of the development of the transaction as well as the MOU and the Deeds have been timely and adequately disclosed by the Company by way of public announcements throughout.

The auditors are of the view that they were unable to obtain certain independent audit confirmations and sufficient audit evidence as to the existence and valuation of the Deposit and the Borrowings as at 31 March 2009 and the validity of the mode of settlement of the Deposit and the Borrowings subsequent to the balance sheet date. During the course of the audit, the Company has used its best endeavours to provide all the relevant documents to the auditors including but not limited to the Agreement and the Deeds, and procured the Vender, the Lender and other independent third parties to provide confirmations to support the existence and valuation of the Deposit and the Borrowings as at 31 March 2009. The Audit Committee also held meetings with the Auditors and ensured that the Company has provided all relevant documents to the auditors for the purpose of the audit. The Company has also arranged visit to the bank where the Deposit was kept with the auditors to obtain direct confirmation of the Deposit. The Company has obtained proper legal advices throughout the course of execution of the acquisition and has further sought proper legal advices on the validity of the settlement arrangements under the Deeds. The Company considers that proper records and documents have been maintained by the Group to account for these transactions and that all the audit evidence available to the Group have been provided to the auditors to substantiate the existence and valuation of the Deposit and the Borrowings and the mode of subsequent settlement of the deposit and the Borrowings.

Going concern

The auditors have also, without further qualifying their opinion, drawn attention to Notes 3, 29 and 37 to the consolidated financial statements which indicate that the Group had borrowings of approximately HK$156,000,000 under current liabilities and incurred a net loss of approximately HK$36,164,000 incurred for the year ended 31 March 2009. These indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Chairman's Statement

As disclosed in the consolidated balance sheet, the Group had net current assets of approximately HK$15,473,000 and bank balances and cash of approximately HK$19,489,000 as at 31 March 2009. As mentioned above and in note 37(v) to the consolidated financial statements, the Borrowings and related accrued interest have been settled with the Lenders and/or its assignees directly by the Vendor subsequent to 31 March 2009 and all the Group's obligations in respect of the Borrowings have been fully released and discharged. Taking this into account and the fact that the shareholder of the Company, TLX Holdings Limited, has promised to provide financial support to the Group if there is any default in the repayment of the Borrowings and other factors as disclosed in note 3 to the consolidated financial statements, the Directors are satisfied that it is appropriate to prepare the financial statements for the year ended 31 March 2009 on a going concern basis.

In view of the above, the Company has engaged professional advisers to assist it in reviewing and addressing issues referred to in the auditors' opinion and performing a review on the financial reporting and internal control systems of the Company. Further announcement(s) will be made by the Company in connection with the results of such reviews in due course.

PROSPECTS

Except for the concurring exhibition organised as detailed above, the Group has started another new product line like "外貿商品展" Foreign Trade Commodities Exhibition* which is in line with the policy of "Domestic Market" of the Central Government of the PRC.

While working on improving its existing business in exhibition organisation, the Group has also kept on seeking for further investment opportunities to enhance the performance of the Group and improve the return to shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows. As at 31 March 2009, the Group had total assets of approximately HK$193,815,000 and had net assets of approximately HK$19,040,000. The Group's cash and bank balances as at 31 March 2009 amounted to approximately HK$19,489,000 and has an obligation under finance lease amounted to approximately HK$47,000 and other borrowings amounted to approximately HK$156,000,000 (equivalent to US$20,000,000). Taking into account the cash on hand and recurring cash flows from its core business, the Group's financial position is healthy, positioning the Group advantageously to expand its core business and to achieve its business objectives.

* English name is for identification purpose only.

At the balance sheet date, the Group has total liabilities of approximately HK$174,775,000 (2008: approximately HK$13,318,000) as compared with total asset of approximately HK$193,815,000 (2008: approximately HK$41,065,000). However, out of the total liabilities, HK$156,000,000 was loans from a related party and a third party, which has paid as a deposit for acquisition of the Coal Mines. Following the termination of the acquisition subsequent to the year end date, the amount of Deposit has been returned and set off against the loans in full. If such amounts were not taken into consideration, the gearing of the group, which is defined by the total liabilities over the shareholders equity, is approximately 99% (2008: 48%) and is considered reasonable.

EMPLOYEES AND REMUNERATION POLICIES

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

As at 31 March 2009, the Group had 85 (2008: 72) employees, including Directors. Total staff costs for the year under review, including Directors' remuneration, amounted to approximately HK$22,335,000 (2008: approximately HK$19,538,000). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees. The Group also provides provident fund schemes and medical insurance scheme for its employees.

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

CHARGES ON GROUP'S ASSETS

As at 31 March 2009, a motor vehicle with net book value of approximately HK$202,000 was held under finance lease (2008: HK$283,000).

CONTINGENT LIABILITIES

There was no significant contingent liabilities as at 31 March 2009.

Chairman's Statement

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in Hong Kong dollar and Renminbi ("RMB"). Therefore, the Group is exposed to RMB exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider to hedge the foreign exchange exposure if it is significant to the Group.

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

There were no significant investment held or material acquisitions and disposals of subsidiaries in the course of the financial year ended 31 March 2009.

APPRECIATION

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

Chui Bing Sun
Chairman

Hong Kong, 31 December 2009

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Chui Bing Sun, aged 33, has over eight years of experience in hedge fund and portfolio management, finance and accounting. He has been a fund manager of two global hedge funds for the last five years. Prior to this, Mr. Chui has worked for two international accounting firms. Mr. Chui is a certified public accountant and a Chartered Financial Analyst charterholder.

Mr. Lee Chi Shing, Caesar, aged 46, is experienced in corporate management and internal control. He was an executive director of Tanrich Financial Holdings Limited, a company listed on the Stock Exchange of Hong Kong Limited, from 1 November 2004 to 29 June 2005. In 2000, he joined Ernst & Young, an international accounting firm, as a senior manager. He has worked in the Inland Revenue Department for over 15 years after his graduation. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, he is a member of the Society of Registered Financial Planners. Mr. Lee graduated from the Department of Accountancy of Hong Kong Polytechnic University in 1985. He later obtained a Master degree in International Accountancy in 2001. Mr. Lee is also an executive director of Sun International Group Limited, a company listed on GEM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kwan Hung, aged 44, is a practicing certified public accountant and has extensive experience in investment banking, corporate finance, financial management and auditing. He has held various senior positions in listed companies, investment banking groups and an international accounting firm. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Directors. He holds a Bachelor's degree in Science from the University of London. Mr. Kwok is also an independent non-executive director of Regent Manner International Holdings Ltd, a company listed on main board.

Directors and Senior Management Profile

Mr. Leung Chi Kong, aged 40, obtained his Bachelor's Degree in Economics and Social Studies from the Victoria University of Manchester and Master's Degree in Business Administration with merit from the University of Birminghan in the United Kingdom. Mr. Leung is a qualified Chartered Financial Analyst and he was admitted as a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is currently manager of a securities company in Hong Kong.

Mr. Chan Wai Man, aged 44, is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and also a fellow member of the Association of Chartered Certified Accountants. Mr. Chan has extensive experience in auditing, tax planning and finance.

SENIOR MANAGEMENT

Mr. Cheng Chun Ho, aged 49, is responsible for coordination of the Group's exhibition organisation business. Before joining the Group in March 2000, Mr. Cheng had worked for 14 years at Hong Kong Productivity Council's Information Services Division and was involved in developing, promoting and implementing industrial information, trade magazines and industrial exhibition services. Mr. Cheng graduated with a High Diploma in Mechanical Engineering from the Hong Kong Polytechnic University and holds a Master's Degree in Business Administration from the University of West London, the United Kingdom. He is a Chartered Engineer of the Engineering Council of the United Kingdom.

Ms. Lok Suet Lin, aged 46, is the exhibition manager of the Group. She possesses over 15 years of experience in organising exhibitions, media planning and advertising representation in both Hong Kong and the PRC. Ms. Lok graduated from The University of Hong Kong with a Bachelor's Degree in Civil Engineering. She joined the Group in September 1986.

Mr. Chau Yat Fan, Raymond, aged 51, is the project manager of the Group. He is responsible for marketing and coordination of exhibitions. He has over 20 years of experience in the exhibition industry. He holds a Diploma in Management Studies from the Hong Kong Polytechnic University. Mr. Chau joined the Group in April 1997.

Ms. Tam Wai Yin, aged 47, is the administration manager of the Group responsible for human resources and administrative functions of the Group. Ms. Tam joined the Group in May 1986.

Mr. Wong Kam Kwong, aged 43, is the art director of the Group in charge of the design department of the Group. He joined the Group in July 1989.

The Directors have pleasure in submitting their annual report together with the audited consolidated financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in Note 24 to the consolidated financial statements. There were no significant changes in the nature of the principal activities of the Group during the year.

SEGMENT INFORMATION

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

FINANCIAL RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on page 34 of this annual report.

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2009 (2008: Nil).

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in Note 31 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in Note 33 to the consolidated financial statements.

As at 31 March 2009, no reserves of the Company were available for distribution to the equity holders of the Company (2008: approximately HK$5,143,000).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2009.

PRE-EMPTIVE RIGHTS

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

Directors' Report

COMMITMENTS

As at 31 March 2009, the Group had future minimum payments under non-cancellable terms of an agreement in respect of advertising display panels amounting to approximately HK$1 million (2008: HK$1 million). As at 31 March 2009, the Group also had operating leases commitments in respect of rented office premises of approximately HK$1,028,000 (2008: approximately HK$1,082,000).

In addition, the Group has entered into an agreement for the consultancy service of exhibition organisation for a period of two years, which will give rise to an annual charge of HK$2,000,000 (2008: Nil).

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK$1,184,000 (2008: approximately HK$1,246,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in Note 21 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in Note 17 to the consolidated financial statements.

SHARE OPTION SCHEME

Details of the share option scheme are set out in Note 32 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Chui Bing Sun *(Chairman)*	
Mr. Lee Chi Shing, Caesar	
Mr. Cheng Kwok Lai	(resigned on 1 September 2008)
Mr. Kwok Kam Tim	(resigned on 1 September 2008)
Dr. Hsieh Robert Chih Hung	(appointed on 14 July 2009 and resigned on 28 July 2009)
Mr. Chai Wei	(appointed on 14 July 2009 and resigned on 28 July 2009)

Independent Non-Executive Directors

Mr. Kwok Kwan Hung
Mr. Chan Wai Man
Mr. Leung Chi Kong

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

In accordance with the Articles of Association of the Company, Mr. Leung Chi Kong will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

As at 31 March 2009, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by Directors of the Company were as follows:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name of Director	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Mr. Chui Bing Sun	Corporate *(Note (i))*	251,000,000	Interest of a controlled corporation	25.73%

Note

(i) These ordinary shares are held by TLX Holdings Limited. TLX Holdings Limited is wholly and beneficially owned by Mr. Chui Bing Sun.

Interests in underlying shares of the Company

Pursuant to the share option scheme adopted by the Company on 22 October 2001 (as more particularly described in Appendix IV to the Company's prospectus), certain Directors were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable as at 31 March 2009 were as follows:

Name of Directors	Date of grant	Number of share options outstanding and exercisable as at 31 March 2009	Exercise period	Exercise price per share
Mr. Lee Chi Shing, Caesar	14 December 2007	8,000,000 *(Note (i))*	14 December 2007 – 13 December 2017	HK$0.28
	14 August 2008	1,750,000 *(Note (iii))*	14 August 2008 – 13 August 2018	HK$0.187
Mr. Kwok Kwan Hung	15 February 2008	800,000 *(Note (ii))*	15 February 2008 – 14 February 2018	HK$0.33
Mr. Leung Chi Kong	15 February 2008	500,000 *(Note (ii))*	15 February 2008 – 14 February 2018	HK$0.33
Mr. Chan Wai Man	15 February 2008	500,000 *(Note (ii))*	15 February 2008 – 14 February 2018	HK$0.33

Notes

(i) The closing price of the shares of the Company immediately before the date of grant (as of 14 December 2007) was HK$0.27.

(ii) The closing price of the shares of the Company immediately before the date of grant (as of 15 February 2008) was HK$0.33.

(iii) The closing price of the shares of the Company immediately before the date of grant (as of 14 August 2008) was HK$0.186.

(iv) There were no share options cancelled, lapsed or forfeited during the year ended 31 March 2009.

(v) There were no share options exercised or expired during the year ended 31 March 2009.

Save as disclosed above, as at 31 March 2009, none of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by Directors of the Company.

OUTSTANDING SHARE OPTIONS

Save as those share options granted to the Directors as disclosed above, certain share options were granted by the Company under the share option scheme to two individuals who are employees of the Company at the date of grant, details of the share options outstanding and exercisable as at 31 March 2009 were as follows:

	Number of share options							
Category of participants	At 1 April 2008	Granted during the year	Exercised during the year	At 31 March 2009	Date of grant of share options	Exercise period of shares options	Exercise price per share	Options exercisable at the end of the year
Employee	500,000 *(Note (i))*	–	–	500,000	25 March 2008	25 March 2008 – 24 March 2018	HK$0.25	–
Employees	–	300,000 *(Note (ii))*	–	300,000	14 August 2008	14 August 2008 – 13 August 2018	HK$0.187	–
	500,000	**300,000**	**–**	**800,000**				**–**

Notes

(i) Options granted to the employee has vesting period of six months and one year of 250,000 each. The closing price of the shares of the Company immediately before the date of grant (as of 25 March 2008) was HK$0.25.

(ii) The closing price of the shares of the Company immediately before the date of grant (as of 14 August 2008) was HK$0.186.

None of the Directors and employees of the Company had exercised their share options during the year ended 31 March 2009.

There were no share options cancelled, lapsed or forfeited during the year ended 31 March 2009.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARE AND DEBENTURES OF THE COMPANY

As at 31 March 2009, the following shareholders (including Directors) had interests or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name	Capacity	Nature of interest	Number of shares	Percentage of interests
TLX Holdings Limited *(Note (i))*	Beneficial owner	Corporate	251,000,000	25.73%
Mr. Chui Bing Sun *(Note (i))*	Interest of a controlled corporation	Personal	251,000,000	25.73%
Linden Capital L.P. *(Notes (ii))*	Beneficial owner	Corporate	251,000,000	25.73%
Linden GP LLC *(Notes (ii) (iii))*	Interest of a controlled corporation	Corporate	251,000,000	25.73%
Mr. Wong Siu Min *(Note (iii))*	Interest of a controlled corporation	Personal	251,000,000	25.73%

Notes

(i) These shares are held by TLX Holdings Limited, a company incorporated in the British Virgin Islands. It is wholly and beneficially owned by Mr. Chui Bing Sun.

(ii) These shares are held by Linden Capital L.P., a company incorporated in Bermuda. It is controlled by its general partner Linden GP LLC.

(iii) Linden GP LLC is controlled by Mr. Wong Siu Min.

Save as disclosed above, as at 31 March 2009, the Directors were not aware of any other person who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's total revenue to the five largest customers accounted for less than 30% of the Group's revenue during the year (2008: less than 30%).

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

	Percentage of the services provided to the Group	
	2009	2008
The largest supplier	**23.3%**	26.3%
Five largest suppliers in aggregate	**58.8%**	68.8%

At no time during the year have the Directors, their respective associates and any shareholders of the Company (which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of the five largest customers and suppliers of the Group.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in Note 36 to the consolidated financial statements.

Announced continuing connected transactions

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

1. *Agency agreement*

   During the year, an indirect wholly-owned subsidiary of the Company, Global Challenge Limited ("GCL"), entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2008, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/or organising any exhibitions when instructed by GCL under the agency agreement.

During the year ended 31 March 2009, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$223,000 (2008: approximately HK$573,000).

2. *Management service agreement*

During the year, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in the British Virgin Islands ("BVI"), entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2008, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia".

During the year ended 31 March 2009, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$65,000 (2008: approximately HK$276,000).

3. *Borrowings and loan interest*

During the year, BSL entered into a loan agreement with Linden Ventures III (BVI) Limited ("Linden Ventures"), which is a wholly-owned subsidiary of Linden Capital L.P. ("Linden Capital"). Since Linden Capital is a shareholder of the Company, the loan amounted to US$12,500,000 (equivalent to approximately HK$97,500,000) together with interest of 6% per annum thereon from Linden Ventures as detailed in Note 29(i) to the consolidated financial statements which constitutes a connected transaction on the part of the Company.

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

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

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

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in the consolidated financial statements, no contracts of significance (as defined in Rule 18.25 of the GEM Listing Rules) in relation to the Group's business to which the Company, its parent company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE IN CONTRACTS

Each of the executive directors of the Company has entered into a service contract with the Company with no specific term of office, or an initial term of one year (subject to individual contract) from the date of appointment and will continue thereafter, until terminated by not less than one to six months (subject to individual contract) notice in writing served by either party on the other. The term of office of each independent non-executive directors is the period up to his retirement by rotation in accordance with the Articles of Association of the Company.

Save as disclosed above, none of the Directors offering themselves for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company.

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 ended 31 March 2009.

Directors' Report

COMPETING INTERESTS

The Directors are not aware of, as at 31 March 2009, any business or interest of each of the Directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group.

AUDITORS

The accompanying consolidated financial statements were audited by HLB Hodgson Impey Cheng. HLB Hodgson Impey Cheng will retire at the forthcoming annual general meeting.

On behalf of the Board

Chui Bing Sun
Chairman

Hong Kong, 31 December 2009

Corporate Governance Report

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

Save the Company has not been able to publish its annual reports for the year ended 31 March 2009, the quarterly results for the three months ended 30 June 2009 and the interim results for the six months ended 30 September 2009 during the year under review within the time limit as prescribed under the GEM Listing Rules and therefore not in compliance with paragraph C.1.3 of the Code on Corporate Governance Practices (the "CG Code"), the Company has complied with the CG Code.

In the course of finalising the audited consolidated financial statements of the Company for the year ended 31 March 2009, the auditors of the Company requested for additional information in respect of the acquisition of mining interests. Thus, additional time has required for completion of the audit work and publishing the result. Due to delay in finalising the audited consolidated financial statement for the year ended 31 March 2009, the subsequent quarterly results for the three months ended 30 June 2009 and the interim results for the six months ended 30 September 2009 were unable to complete on time to meet the requirement of the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

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

Minutes of the Board/committee meetings are recorded in significant detail for any decision and recommendation made during the meetings. Draft and final versions of minutes are circulated to directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director. All directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

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

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

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

The Board held at least four regular meetings for the financial year ended 31 March 2009. Details of attendance of individual director at board meetings are presented as below:

	Number of meetings attended
Executive Directors	
Mr. Chui Bing Sun *(Chairman)*	6/6
Mr. Lee Chi Shing, Caesar	6/6
Mr. Cheng Kwok Lai *(Note (i))*	2/2
Mr. Kwok Kam Tim *(Note (i))*	2/2
Independent Non-Executive Directors	
Mr. Kwok Kwan Hung	4/4
Mr. Chan Wai Man	4/4
Mr. Leung Chi Kong	3/4

Note

(i) Resigned on 1 September 2008

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chui Bing Sun is the Chairman of the Company and Mr. Lee Chi Shing, Caesar is the Chief Executive Officer ("CEO") of the Company.

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deals clearly with its authorities and duties. The RC comprised of three members, namely Mr. Leung Chi Kong (Chairman of RC), Mr. Kwok Kwan Hung and Mr. Chan Wai Man, all of them are independent non-executive directors of the Company.

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

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

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

	Number of meetings attended
RC Members	
Mr. Leung Chi Kong	1/1
Mr. Kwok Kwan Hung	1/1
Mr. Chan Wai Man	1/1

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

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

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

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

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

AUDIT COMMITTEE

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

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

The AC has reviewed the annual, interim and quarterly results of the Company for the year ended 31 March 2009 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

Four meetings of the AC were held during the year ended 31 March 2009 and details of attendance of individual member at the AC meetings are presented as below:

	Number of meetings attended
AC Members	
Mr. Kwok Kwan Hung	4/4
Mr. Chan Wai Man	4/4
Mr. Leung Chi Kong	3/4

The consolidated financial statements of the Company for the year have been audited by HLB Hodgson Impey Cheng ("HLB"). During the year, remuneration of approximately HK$1,145,000 was paid to HLB for the provision of audit services. In addition, approximately HK$1,062,000 was paid to HLB for other non-audit services. The non-audit services mainly consisted of the provision of consultancy services during the year.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the consolidated financial statement of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the annual, interim and quarterly results of the Company for the year ended 31 March 2009, the Directors have adopted suitable accounting policies and applied them consistently.

As disclosed in Note 3 to the consolidated financial statements, the Group had borrowings of HK$156,000,000 under current liabilities and the Group also incurred a net loss of approximately HK$36,164,000 for the year ended 31 March 2009. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the Directors have adopted the going concern basis in preparing these consolidated financial statements based on the assumptions and measures disclosed in the Note 3 to the consolidated financial statements.

In the opinion of the Directors, in light of the measures taken to date and to be taken and on the basis of the major assumptions disclosed in Note 3 to the consolidated financial statements, the Group will be able to finance its working capital and financial requirements to maintain its operating existence in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The responsibility of the auditors with respect to these consolidated financial statements is set out in the Independent Auditors' Report on page 31 to 33 of this Annual Report.

INTERNAL CONTROLS

The Board has, through the Audit Committee, conducted review of the effectiveness of the internal control system of the Group covering the financial, operational, procedural compliance and risk management functions for the year ended 31 March 2009. The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

COMMUNICATION WITH SHAREHOLDERS

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

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

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

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

TO THE SHAREHOLDERS OF INFO COMMUNICATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 94 which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY *(Continued)*

Except for the limitation 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 consolidated 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

Scope limitation – Existence and valuation of a deposit for acquisition of mining interests and related borrowings

Included in the consolidated balance sheet as at 31 March 2009 are a deposit for acquisition of mining interests of US$20,000,000 (equivalent to approximately HK$156,000,000) in respect of the proposed acquisition of the entire equity interest in Triumph Fund A Limited (the "Deposit") and related borrowings of US$20,000,000 (equivalent to approximately HK$156,000,000) (the "Borrowings") as explained in Notes 26 and 29 to the consolidated financial statements, respectively. We were advised by the management that the Borrowings were taken out by the Group to finance payment of the Deposit. However, we were unable to obtain certain independent audit confirmations and sufficient audit evidence as to the existence and valuation of the Deposit and the Borrowings as at 31 March 2009. We were therefore unable to obtain other satisfactory audit evidence to satisfy ourselves as to the existence and valuation of the Deposit and the Borrowings as at 31 March 2009. Moreover, subsequent to the balance sheet date, as explained in Note 37 to the consolidated financial statements, we were advised by the management that the Group had been fully released and discharged from all the obligations and guarantees in relation to the Borrowings by way of deeds of release and discharge executed under seal in favour of the Group. However, we were unable to obtain certain independent audit confirmations and sufficient audit evidence as to the validity of the mode of settlement of the Deposit and the Borrowings subsequent to the balance sheet date.

Had we been able to satisfy ourselves in respect of the above mentioned matters, adjustments might have been found to be necessary which would have had a consequential effect on the net assets of the Group as at 31 March 2009 and its net loss for the year ended 31 March 2009 and the related disclosures thereof.

Independent Auditors' Report

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, 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 Group and of the Company as at 31 March 2009 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.

In respect alone of the limitations on our work as further set out in the basis of opinion section of this report, namely the existence and valuation of a deposit for acquisition of mining interests and related borrowings, we have not obtained all the information and explanations that we consider necessary for the purpose of our audit.

Without further qualifying our opinion, we draw attention to Notes 3, 29 and 37 in the consolidated financial statements which indicate that the Group had borrowings of approximately HK$156,000,000 under current liabilities and the Group also incurred a net loss of approximately HK$36,164,000 for the year ended 31 March 2009. These conditions, along with other matters as set forth in Notes 3, 29 and 37, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 31 December 2009

Consolidated Income Statement

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	*6*	**68,869**	88,545
Other income	*8*	**9,852**	423
Exhibition costs		**(32,600)**	(23,603)
Printing, postage and paper costs		**(5,065)**	(5,185)
Promotion expenses		**(8,373)**	(9,958)
Employee benefits expense	*11*	**(22,335)**	(19,538)
Finance costs	*9*	**(8,929)**	(4)
Other operating expenses		**(33,520)**	(20,993)
Share of loss of a jointly-controlled entity	*22*	**(21)**	–
(Loss)/profit before tax		**(32,122)**	9,687
Income tax expense	*10*	**(4,042)**	(1,175)
(Loss)/profit for the year	*11*	**(36,164)**	8,512
Attributable to:			
Equity holders of the Company		**(36,136)**	7,432
Minority interests		**(28)**	1,080
		(36,164)	8,512
Dividends	*15*	**–**	13,285
(Loss)/earnings per share			
Basic *(HK cents per share)*	*16*	**(3.76)**	0.87
Diluted *(HK cents per share)*	*16*	**(3.76)**	0.85

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

Consolidated Balance Sheet

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Intangible assets	18	**–**	–
Goodwill	19	**–**	6,800
Property, plant and equipment	21	**3,413**	2,227
Investment in a jointly-controlled entity	22	**166**	–
Available-for-sale investments	23	**–**	–
		3,579	9,027
Current assets			
Trade and other receivables	25	**14,747**	6,594
Deposit for acquisition	26	**156,000**	–
Bank balances and cash	27	**19,489**	25,444
		190,236	32,038
Current liabilities			
Trade and other payables	28	**14,411**	4,901
Borrowings	29	**156,000**	–
Sales deposits receipt in advance		**2,290**	6,620
Obligation under finance lease	30	**35**	32
Tax liabilities		**2,027**	1,718
		174,763	13,271
Net current assets		**15,473**	18,767
Total assets less current liabilities		**19,052**	27,794
Non-current liability			
Obligation under finance lease	30	**12**	47
Net assets		**19,040**	27,747
Capital and reserves			
Share capital	31	**9,756**	8,856
Reserves	33	**9,242**	18,822
Equity attributable to equity holders of the Company		**18,998**	27,678
Minority interests		**42**	69
Total equity		**19,040**	27,747

The consolidated financial statements on pages 34 to 94 were approved and authorised for issue by the Board of Directors on 31 December 2009 and are signed on its behalf by:

Chui Bing Sun
Director

Lee Chi Shing, Caesar
Director

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

Balance Sheet

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Intangible assets	*18*	**–**	–
Investments in subsidiaries	*24*	**80**	11,594
		80	11,594
Current assets			
Other receivables		**1,878**	–
Bank balances and cash		**5,287**	3,041
		7,165	3,041
Current liabilities			
Other payables		**1,839**	636
Net current assets		**5,326**	2,405
Net assets		**5,406**	13,999
Capital and reserves			
Share capital	*31*	**9,756**	8,856
Reserves	*33*	**(4,350)**	5,143
Total equity		**5,406**	13,999

Chui Bing Sun
Director

Lee Chi Shing, Caesar
Director

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Capital reserve HK$'000	PRC statutory reserve HK$'000	Share options reserve HK$'000	Retained profits/ (Accumulated loss) HK$'000	Proposed dividend HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2007	8,456	4,552	–	900	–	–	14,723	4,228	32,859	4	32,863
Exchange differences arising on translation of foreign operations	–	–	1,164	–	–	–	–	–	1,164	–	1,164
Net income recognised directly in equity	–	–	1,164	–	–	–	–	–	1,164	–	1,164
Profit for the year	–	–	–	–	–	–	7,432	–	7,432	1,080	8,512
Total recognised income for the year	–	–	1,164	–	–	–	7,432	–	8,596	1,080	9,676
Issue of ordinary shares upon exercise of share options	400	2,800	–	–	–	–	–	–	3,200	–	3,200
Transaction costs attributable to issue of new shares	–	(62)	–	–	–	–	–	–	(62)	–	(62)
Recognition of equity settled share-based payments	–	–	–	–	–	598	–	–	598	–	598
Capital contributions from a minority shareholder	–	–	–	–	–	–	–	–	–	105	105
Allocation to statutory reserve	–	–	–	–	741	–	(741)	–	–	–	–
Dividends paid:											
– 2007 final dividend	–	–	–	–	–	–	–	(4,228)	(4,228)	–	(4,228)
– 2008 special dividend	–	(4,552)	–	–	–	–	(8,733)	–	(13,285)	–	(13,285)
Dividend paid to minority shareholders	–	–	–	–	–	–	–	–	–	(1,120)	(1,120)
At 31 March 2008 and 1 April 2008	8,856	2,738	1,164	900	741	598	12,681	–	27,678	69	27,747
Exchange differences arising on translation of foreign operations	–	–	224	–	–	–	–	–	224	–	224
Net income recognised directly in equity	–	–	224	–	–	–	–	–	224	–	224
Loss for the year	–	–	–	–	–	–	(36,136)	–	(36,136)	(28)	(36,164)
Total recognised income/ (expenses) for the year	–	–	224	–	–	–	(36,136)	–	(35,912)	(28)	(35,940)
New issue of ordinary shares	900	27,000	–	–	–	–	–	–	27,900	–	27,900
Transaction costs attributable to issue of new shares	–	(881)	–	–	–	–	–	–	(881)	–	(881)
Deemed disposal on a subsidiary	–	–	–	–	–	–	–	–	–	1	1
Recognition of equity settled share-based payments	–	–	–	–	–	213	–	–	213	–	213
At 31 March 2009	**9,756**	**28,857**	**1,388**	**900**	**741**	**811**	**(23,455)**	**–**	**18,998**	**42**	**19,040**

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

In accordance with the PRC laws and regulations, PRC companies require to provide statutory reserve. Statutory reserve is appropriated of 10% from net profits after tax as reported in the financial statements of the PRC subsidiaries. Provision for the statutory reserve ceases when the aggregate amount exceeded 50% of the registered capital of the PRC subsidiaries. All statutory reserves are for specific purposes and are not distributed in the form of cash dividends.

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

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	Note	2009 HK$'000	2008 HK$'000
Operating activities			
(Loss)/profit for the year		**(36,164)**	8,512
Adjustments for:			
Income tax expenses		**4,042**	1,175
Depreciation and amortisation		**888**	805
Equity-settled share-based payments		**213**	598
Finance costs		**8,929**	4
Interest income		**(8,992)**	(160)
Loss/(gain) on deemed disposal of a subsidiary		**1**	(45)
Impairment loss recognised in respect of goodwill		**6,800**	990
Impairment loss recognised in respect of trade and other receivables		**1,203**	700
Impairment loss recognised in respect of intangible assets		**–**	4,444
Share of loss of a jointly-controlled entity		**21**	–
Operating cash flows before movements in working capital		**(23,059)**	17,023
(Increase)/decrease in trade and other receivables		**(9,356)**	719
Increase in trade and other payables		**9,510**	9
Decrease in sales deposits receipt in advance		**(4,330)**	(910)
Cash (used in)/generated from operations		**(27,235)**	16,841
Bank interest received		**68**	160
Interest paid		**(5)**	(4)
Income taxes paid		**(3,733)**	(7,080)
Net cash (used in)/generated from operating activities		**(30,905)**	9,917
Investing activities			
Proceeds from deemed disposal of a subsidiary		**–**	150
Purchase of property, plant and equipment		**(2,065)**	(2,000)
Payment for investment in a jointly-controlled entity		**(187)**	–
Net cash used in investing activities		**(2,252)**	(1,850)
Financing activities			
Final dividend in respect of the previous year paid		**–**	(4,228)
Proceeds from issue of ordinary shares		**27,900**	3,200
Payment for share issue expenses		**(881)**	(62)
Repayment of obligation under finance lease		**(32)**	(21)
Special dividend paid		**–**	(13,285)
Dividend paid to minority shareholders		**–**	(1,120)
Net cash generated from/(used in) financing activities		**26,987**	(15,516)
Net decrease in cash and cash equivalents		**(6,170)**	(7,449)
Cash and cash equivalents at the beginning of the financial year		**25,444**	31,638
Effects of exchange rate changes on the balance of cash held in foreign currencies		**215**	1,255
Cash and cash equivalents at the end of the financial year	*27*	**19,489**	25,444

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

1. GENERAL

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

As at 31 March 2008, the Directors considered that the Company's parent and ultimate holding company was TLX Holdings Limited ("TLX"), a company incorporated in the British Virgin Islands ("BVI").

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in exhibition organisation, provision of promotion and marketing services and trade magazines publication. The principal activities and other particulars of the subsidiaries are set out in Note 24 to the consolidated financial statements.

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

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

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The application 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.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[5]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 32 (Amendment)	Classification of Rights Issues[6]
HKAS 39 (Amendment)	Eligible Hedged Items[5]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[5]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoption[8]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[8]
HKFRS 3 (Revised)	Business Combinations[5]
HKFRS 7 (Amendment)	Financial Instruments Disclosures – Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[9]
HK(IFRIC) – Int 11	Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Payment Transactions[8]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[10]
HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirements[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[11]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[5]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[12]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[13]

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

[1] *Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009*

[2] *Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate*

[3] *Effective for annual periods beginning on or after 1 January 2009*

[4] *Effective for annual periods beginning on or after 1 January 2011*

[5] *Effective for annual periods beginning on or after 1 July 2009*

[6] *Effective for annual periods beginning on or after 1 February 2010*

[7] *Effective for annual periods ending on or after 1 January 2013*

[8] *Effective for annual periods ending on or after 1 January 2010*

[9] *Effective for annual periods ending on or after 30 June 2009*

[10] *Effective for annual periods beginning on or after 1 July 2008*

[11] *Effective for annual periods beginning on or after 1 October 2008*

[12] *Effective for transfers of assets from customers received on or after 1 July 2009*

[13] *Effective for annual periods beginning on or after 1 July 2010*

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the accounting policies set out below.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Going Concern

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its consolidated net loss of approximately HK$36,164,000 for the year ended 31 March 2009. In addition, the Group had borrowings of approximately HK$156,000,000 under current liabilities and entered into a series of loan agreements with two lenders. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the Directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

(i) It is the Directors' belief that TLX, a shareholder of the Company, will execute its financial support commitment in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements;

(ii) The current year loss was mainly due to severe economic downturn as a result of global financial crisis and it was the first time the Group recorded loss since the Company went public in 2001. It is the Directors' view that the exhibition business will gradually return to normal operation in the near future along with the global economic recovery;

(iii) The Directors have taken action to tighten cost controls over various operating and general and administrative expenses;

(iv) The Group's capital commitment was kept at a minimal level; and

(v) The Group will consider capital fund raising to cope with the business's operation and expansion from time to time.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2009 on a going concern basis.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

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

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

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

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

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

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

Segment information

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

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

For previously capitalised goodwill arising on acquisitions of subsidiaries after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1 January 2005

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly-controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly-controlled entities.

The results and assets and liabilities of jointly-controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly-controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly-controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly-controlled entity equals or exceeds its interest in that jointly-controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly-controlled entity), 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 jointly-controlled entity.

When a group entity transacts with a jointly-controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly-controlled entity.

Revenue recognition

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

Exhibition organisation income is recognised when services are rendered.

Promotion and marketing income is recognised when services are rendered.

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

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

Sundry income is recognised when received.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

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

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

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.

Foreign currencies

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

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

3. 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. HK$) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. To the extent that fixed-rate bank borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflected the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

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

Taxation

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

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

The Group as lessee

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 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, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see above).

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.

Intangible assets

Intangible assets acquired separately

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets *(Continued)*

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

Financial instruments

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

Financial assets

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

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 and 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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, deposit for acquisition and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other category. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Any impairment losses on available-for-sale financial assets are recognised in profit or loss. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

3. 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. The Group's financial liabilities are generally classified into other financial liabilities and equity instruments.

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.

Financial liabilities

Financial liabilities (including trade and other payables, borrowings and obligation under finance lease) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain and loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Key sources of estimation uncertainty

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.

Estimated impairment of property, plant and equipment and intangible assets

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

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

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

Impairment losses on trade and other receivables

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

Impairment of goodwill

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

The carrying amount of goodwill at the balance sheet date was Nil (2008: approximately HK$6,800,000) after an impairment loss of approximately HK$6,800,000 (2008: approximately HK$990,000) was recognised during the year ended 31 March 2009.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Categories of financial instruments

	2009 HK$'000	2008 HK$'000
Financial assets		
Loan and receivables (including cash and cash equivalents)		
– Trade and other receivables	**9,982**	4,107
– Deposit for acquisition	**156,000**	–
– Bank balances and cash	**19,489**	25,444
Available-for-sale investments	**–**	–
Financial liabilities		
Amortised cost		
– Trade and other payables	**14,390**	4,901
– Borrowings	**156,000**	–
– Obligation under finance lease	**47**	79

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposit for acquisition, bank balances and cash, trade and other payables, borrowings and obligation under finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Market risk comprises foreign currency exchange rates, interest rates and equity prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Based on the evaluation of the Group's operations, the Directors of the Company consider that the Group does not expose to significant market risk.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

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

Credit risk

The Group's principal financial assets included trade and other receivables and bank balances and cash. The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Liquidity risk management

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

The Group's primary cash requirements have been for capital investments and repayment of related debts. The Group finances its working capital requirements primarily through funds generated from operations.

The following tables detail the Group's remaining contractual maturity for its financial liabilities as at 31 March 2009 and 2008:

	Weighted average effective interest rate %	Less than 3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total un-discounted cash flows HK$'000	Total carrying amount HK$'000
2009						
Non-derivative financial liabilities						
Trade and other payables	–	14,390	–	–	14,390	14,390
Borrowings – fixed rate	6	156,000	–	–	156,000	156,000
Obligation under finance lease	6.5	9	28	12	49	47
		170,399	28	12	170,439	170,437

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

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

Liquidity risk management *(Continued)*

	Weighted average effective interest rate %	Less than 3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total un-discounted cash flows HK$'000	Total carrying amount HK$'000
2008						
Non-derivative financial liabilities						
Trade and other payables	–	930	3,971	–	4,901	4,901
Obligation under finance lease	6.5	9	28	49	86	79
		939	3,999	49	4,987	4,980

(c) Fair value of financial instruments

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 in 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 inputs. For an option-based derivative, the fair value is estimated using option pricing model, that is the Black-Scholes option pricing model.

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

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

(d) Capital risk management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts (including trade and other payables, borrowings, sales deposits receipt in advance and obligation under finance lease). Equity comprising issued share capital, reserves, accumulated loss and minority interests.

Gearing ratio

The Directors of the Company review the capital structure on an annual basis. As a part of this review, the Directors of the Company consider the cost of capital and other sources of funds other than issuance of shares. Based on the recommendation of the Directors of the Company, the Group expects to reduce its gearing ratio through repayment of debt.

The gearing ratio as at 31 March 2009 and 2008 were as follows:

	2009 **HK$'000**	2008 HK$'000
Total liabilities	**174,775**	13,318
Equity	**19,040**	27,747
Gearing ratio	**918%**	48%

Note

The increase in gearing ratio at 31 March 2009 reflected the fact that the Group has obtained loans to finance its acquisition of the coal mining interest during the year as detailed in Note 29 to the consolidated financial statements, alongside the capital raised from placement of new shares.

6. REVENUE

An analysis of the Group's revenue for the year is as follow:

	2009 HK$'000	2008 HK$'000
Exhibition organisation income	**66,920**	85,649
Promotion and marketing income	**1,790**	2,645
Publication income	**159**	251
	68,869	88,545

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information is presented by way of the Group's primary segment reporting, by business segment. In determining the Group's geographical segments, revenue is attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Business segments – Primary reporting format

For the year ended 31 March 2009 and 2008, over 90% of the Group's revenue was derived from exhibition organisation, accordingly, no further business segment information is presented.

Geographical segments – Secondary reporting format

The Group's exhibition organisation business operates in two main principal geographical areas – the People's Republic of China (including Hong Kong) (the "PRC") and Asia (other than the PRC). All segments assets, liabilities and capital expenditure are located in the PRC and therefore no geographical segments are presented, except for the segment revenue.

The following table provides an analysis of the Group's revenue by geographical markets, irrespective of the origin of the services:

Revenue from external customers

	2009 HK$'000	2008 HK$'000
The PRC	**60,188**	78,607
Asia (other than the PRC)	**8,681**	9,938
	68,869	88,545

8. OTHER INCOME

	2009 HK$'000	2008 HK$'000
Interest income on:		
– Bank deposits	**68**	160
– Deposit for acquisition	**8,924**	–
Gain on deemed disposal of a subsidiary	**–**	45
Net foreign exchange gain	**40**	–
Government grant received *(Note)*	**565**	–
Sundry income	**255**	218
	9,852	423

Note: Government grants were received from government of the PRC for subsidising the exhibition organisation of the Group. There are no unfulfilled conditions or contingencies relating to the grants.

9. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on:		
– Borrowings wholly repayable within five years	**8,924**	–
– Finance lease	**5**	4
	8,929	4

10. INCOME TAX EXPENSE

	2009 HK$'000	2008 HK$'000
Current tax:		
Hong Kong Profits Tax	**–**	973
PRC Enterprise Income Tax	**438**	3,151
	438	4,124
Underprovision/(overprovision) in prior years:		
Hong Kong Profits Tax	**3,604**	(2,381)
PRC Enterprise Income Tax	**–**	(568)
	3,604	(2,949)
	4,042	1,175

10. INCOME TAX EXPENSE *(Continued)*

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2008: 33%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No.63 of the President of the People's Republic of China. On 6 December 2007, the State Council issued Implementation Regulation of the New Law. The New Law and Implementation Regulation changed the tax rate of the PRC subsidiaries to 25% from 1 January 2008 onwards.

The tax charge for the year can be reconciled to the (loss)/profit per the consolidated income statement as follow:

	2009 **HK$'000**	2008 HK$'000
(Loss)/profit before tax	**(32,122)**	9,687
Tax at the Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**(5,300)**	1,695
Tax effect of share of loss of a jointly-controlled entity	**3**	–
Tax effect of expenses not deductible for tax purpose	**6,694**	646
Tax effect of income not taxable for tax purpose	**(1,335)**	(1,085)
Underprovision/(overprovision) in respect of prior years	**3,604**	(2,949)
Utilisation of tax losses previously not recognised	**(49)**	–
Tax effect of tax losses not recognised	**831**	–
Effect of different tax rates of group entities operating in jurisdictions other than Hong Kong	**(406)**	2,868
Tax charge for the year	**4,042**	1,175

On 20 March 2008, Global Challenge Limited ("GCL"), a wholly-owned subsidiary of the Company, received from the Inland Revenue Department of Hong Kong (the "IRD") a notice of additional assessment for the year of assessment 2001/02 relating to certain offshore claim on exhibition organisation income and promotion and marketing income.

10. INCOME TAX EXPENSE *(Continued)*

On 2 April 2008, GCL lodged an objection against the IRD's additional assessment for the year of assessment 2001/02 on the grounds that the additional profits assessed were considered as offshore sourced and is not subject to the Hong Kong Profits Tax.

On 25 April 2008, GCL received a notice from the IRD confirming that the additional tax demanded for the year of assessment 2001/02 would be held over on condition that GCL purchases Tax Reserve Certificate (the "TRC") of HK$402,817 by 9 May 2008.

On 30 June 2008, GCL received a letter from the IRD regarding GCL's objections lodged against the additional profits tax assessment for the years of assessment 2000/01 and 2001/02 and GCL's offshore claim for the years of assessment 2002/03 to 2005/06, making a proposal that GCL's exhibition organisation income is to be assessed on 50:50 apportionment basis and the offshore claim on the promotion and marketing income is to be withdrawn for the years of assessment 2000/01 to 2005/06.

On 21 October 2008, GCL after consulting with the Group's tax representatives, submitted a letter to the IRD accepting the proposal as settlement of the case with the IRD.

On 11 November 2008, GCL received notices of revised additional assessment for the years of assessment 2000/01 and 2001/02 and notices of additional assessment for the years of assessment 2002/03 to 2005/06 from the IRD on 11 November 2008, requiring GCL to pay additional taxes of approximately HK$3,600,000 for the years of assessment 2000/01 to 2005/06. GCL utilised the TRC of HK$402,817 to settle the revised additional assessment for the year of assessment 2001/02.

Deferred tax:

At the balance sheet date, the Group has unused tax losses of approximately HK$4,377,000 (2008: approximately HK$173,000) available for offset against future taxable profits of the companies in which the losses arose. No deferred tax assets and liabilities are recognised in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets or liabilities and their carrying amounts as at 31 March 2009 and 2008. Included in unrecognised estimated tax losses are losses of approximately HK$1,276,000 (2008: approximately HK$173,000) that will expire within 5 years. Other estimated unused tax losses of approximately HK$3,101,000 (2008: Nil) may be carried forward indefinitely.

11. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging:

	2009 HK$'000	2008 HK$'000
Depreciation for property, plant and equipment	888	449
Amortisation of intangible assets (included in other operating expenses)	–	356
Total depreciation and amortisation	888	805
Auditors' remuneration		
– Current year	1,145	175
– Underprovision in prior year	179	–
	1,324	175
Net foreign exchange loss	–	223
Loss on deemed disposal of a subsidiary	1	–
Impairment loss recognised in respect of goodwill	6,800	990
Impairment loss recognised in respect of intangible assets	–	4,444
Impairment loss recognised in respect of trade and other receivables	1,203	700
Operating lease rentals in respect of office properties	1,227	700
Employee benefits expense:		
– Salaries and other benefits	21,670	18,518
– Contributions to retirement benefits scheme	452	422
– Equity-settled share-based payments	213	598
Total staff costs (including directors' emoluments)	22,335	19,538

12. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$35,825,000 (2008: profit attributable to equity holders of the Company of approximately HK$9,974,000).

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the seven (2008: eleven) directors were as follows:

	Executive directors				
For the year ended 31 March 2009	Mr. Chui Bing Sun HK$'000	Mr. Lee Chi Shing, Caesar HK$'000	Mr. Cheng Kwok Lai *(Note (i))* HK$'000	Mr. Kwok Kam Tim *(Note (i))* HK$'000	Total HK$'000
Fees	–	–	–	–	–
Other emoluments					
Salaries and other benefits	1,390	310	718	205	2,623
Contributions to retirement benefits schemes	12	12	8	10	42
Share-based payments	–	153	–	–	153
Total emoluments	1,402	475	726	215	2,818

	Independent non-executive directors			
For the year ended 31 March 2009	Mr. Kwok Kwan Hung HK$'000	Mr. Chan Wai Man HK$'000	Mr. Leung Chi Kong HK$'000	Total HK$'000
Fees	120	120	120	360
Other emoluments				
Salaries and other benefits	–	–	–	–
Contributions to retirement benefits schemes	–	–	–	–
Share-based payments	–	–	–	–
Total emoluments	120	120	120	360

Note

(i) Resigned on 1 September 2008

13. DIRECTORS' EMOLUMENTS *(Continued)*

	Executive directors						
For the year ended 31 March 2008	Mr. Chui Bing Sun *(Note (i))* HK$'000	Mr. Lee Chi Shing, Caesar *(Note (i))* HK$'000	Mr. Leung Tin Fu *(Note (ii))* HK$'000	Mr. Chan Wing Sum *(Note (iii))* HK$'000	Mr. Cheng Kwok Lai HK$'000	Mr. Kwok Kam Tim HK$'000	Total HK$'000
Fees	–	–	–	–	–	–	–
Other emoluments							
Salaries and other benefits	240	60	1,000	1,030	1,128	745	4,203
Contributions to retirement benefits schemes	3	3	9	9	14	20	58
Share-based payments	–	496	–	–	–	–	496
Total emoluments	243	559	1,009	1,039	1,142	765	4,757

	Independent non-executive directors					
For the year ended 31 March 2008	Mr. Kwok Kwan Hung *(Note (i))* HK$'000	Mr. Chan Wai Man *(Note (i))* HK$'000	Mr. Leung Chi Kong HK$'000	Ms. Lam Tung Ming, Eileen *(Note (iv))* HK$'000	Mr. Chan Kam Fuk *(Note (iv))* HK$'000	Total HK$'000
Fees	–	–	60	80	80	220
Other emoluments						
Salaries and other benefits	30	30	30	–	–	90
Contributions to retirement benefits schemes	1	1	5	4	4	15
Share-based payments	45	28	28	–	–	101
Total emoluments	76	59	123	84	84	426

Notes

(i) Appointed on 23 November 2007

(ii) Resigned on 14 December 2007

(iii) Resigned on 27 December 2007

(iv) Resigned on 23 November 2007

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2008: three) was a director of the Company whose emolument is included in the disclosures in Note 13 above. The emoluments of the remaining four (2008: two) individuals were as follows:

	2009	2008
	HK$'000	HK$'000
Salaries and other benefits	**4,905**	2,509
Contributions to retirement benefits schemes	**62**	28
	4,967	2,537

	Number of employees	
	2009	2008
HK$Nil – HK$1,000,000	**–**	–
HK$1,000,001 – HK$1,500,000	**4**	2
	4	2

There were no arrangements under which the directors of the Company have waived or agreed to waive any remuneration. There were no discretionary bonuses paid to the directors or the highest paid, non-director employees of the Group for the year ended 31 March 2009 (2008: Nil).

During the year ended 31 March 2009 and 2008, no emoluments were paid by the Group to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments during the year ended 31 March 2009 and 2008.

15. DIVIDENDS

	2009	2008
	HK$'000	HK$'000
Dividends recognised as distributions during the year:		
Special dividend of Nil (2008: HK$0.015) per ordinary share *(Note (i))*	–	13,285
Dividends recognised as distributions in the previous year:		
Final dividend of Nil (2008: HK$0.005) per ordinary share, in respect of the previous financial year, approved and paid during the year *(Note (ii))*	–	4,228

Notes

(i) For the year ended 31 March 2008, a meeting held on 14 November 2007, the Directors declared a special dividend of HK$0.015 per ordinary share pursuant to the agreement relating to the sale of 470,000,000 shares by a substantial shareholder of the Company.

(ii) The Directors do not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: Nil).

16. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009 **HK$'000**	2008 HK$'000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted earnings per share ((loss)/profit for the year attributable the equity holders of the Company)	**(36,136)**	7,432
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**959,859,178**	858,426,885
Deemed issued of ordinary shares for no consideration	**–**	18,789,703
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**959,859,178**	877,216,588

No diluted loss per share has been calculated for the year ended 31 March 2009 as the Company's outstanding share options are anti-dilutive.

During the year ended 31 March 2008, the weighted average number of ordinary shares for the purpose of diluted earnings per share has been adjusted for the deemed issued of ordinary shares arising from the Company's share option scheme.

17. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its employees (including certain executive directors) provident funds under a defined contribution scheme (the "Scheme") managed by independent trustee. The employees make monthly contributions to the Scheme with an amount of 3% of their basic salaries, while the Group makes monthly contributions to the Scheme with an amount of 5% of the employees' basic salaries. The employees are entitled to receive their entire contribution and the accrued interest thereon, and 100% of the employer's contribution and the accrued interest thereon upon retirement or leaving the Group after completing 10 years of service, or at a reduced scale of between 30% and 100% after completing 3 to 10 years of service. During the year, no benefits were forfeited in accordance with the Scheme's rules to reduce the employer's contribution (2008: Nil).

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

18. INTANGIBLE ASSETS

The Group

	Advertising rights HK$'000	Business information HK$'000	Total HK$'000
COST			
At 1 April 2007, 31 March 2008 and 31 March 2009	6,645	1,800	8,445
AMORTISATION AND IMPAIRMENT			
At 1 April 2007	3,645	–	3,645
Provided for the year	356	–	356
Impairment loss recognised	2,644	1,800	4,444
At 31 March 2008 and 31 March 2009	6,645	1,800	8,445
CARRYING AMOUNTS			
At 31 March 2009	**–**	**–**	**–**
At 31 March 2008	–	–	–

18. INTANGIBLE ASSETS *(Continued)*

The Company

	Advertising rights HK$'000
COST	
At 1 April 2007, 31 March 2008 and 31 March 2009	6,645
AMORTISATION AND IMPAIRMENT	
At 1 April 2007	3,645
Provided for the year	356
Impairment loss recognised	2,644
At 31 March 2008 and 31 March 2009	6,645
CARRYING AMOUNTS	
At 31 March 2009	**–**
At 31 March 2008	–

Intangible assets comprise advertising rights and business information.

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

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

No amortisation is provided for the business information as the Directors of the Company are of the opinion that various studies including product life cycle studies, market, competitive trends and brand extension opportunities have been performed by the management of the Group, which supports that the business information is estimated to be indefinite. Advertising rights are amortised on a straight-line basis over the agreed period of use of ten years.

18. INTANGIBLE ASSETS *(Continued)*

As at 31 March 2008, the Group engaged BMI Appraisal Limited, an independent qualified professional valuer to assess the recoverable amount of the advertising rights and determined that the advertising rights were impaired by approximately HK$2,644,000. The recoverable amount of the advertising rights was determined from the cash flow projection based on financial budgets approved by senior management covering a period of 12 months, and the discount rate of 15% per annum was applied in the value-in-use model. The discount rate used is pre-tax and reflect specific risks relating to the industry. The main factor contributing to the impairment of the advertising rights was the decrease in the estimated cash flow generated in the future periods.

As at 31 March 2008, the Group also engaged BMI Appraisal Limited to assess the recoverable amount of the business information and determined that the business information was fully impaired by HK$1,800,000. The valuation has been determined based on a value-in-use calculation based on financial budgets approved by senior management covering 12-month period, and discounted as approximately 15% per annum. The discount rate used is pre-tax and reflect specific risks relating to the industry. The main factor contributing to the impairment of the intangible asset was the decrease in the estimated cash flow generated from the business information.

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

19. GOODWILL

	HK$'000
COST	
At 1 April 2007, 31 March 2008 and 31 March 2009	7,790
IMPAIRMENT	
At 1 April 2007	–
Impairment loss recognised	990
At 31 March 2008	990
Impairment loss recognised	6,800
At 31 March 2009	7,790
CARRYING AMOUNTS	
At 31 March 2009	**–**
At 31 March 2008	6,800

19. GOODWILL *(Continued)*

For the year ended 31 March 2009, the Group engaged BMI Appraisal Limited (2008: BMI Appraisal Limited), an independent qualified professional valuer to assess the recoverable amount of goodwill, and determined that goodwill associated with the Group's cash generating unit ("CGU"), was impaired by approximately HK$6,800,000 (2008: approximately HK$990,000). The recoverable amount of the CGU was assessed by reference to value-in-use calculation. A discount factor of approximately 17% p.a. (2008: 15% p.a.) was applied in the value-in-use model. The discount rate used is pre-tax and reflect specific risks relating to the industry.

The main factor contributing to the impairment of the CGU was the decrease in the estimated cash flow generated from the CGU. The goodwill is included in the "Exhibition organisation – Asia (other than the PRC)" segment disclosed in Note 7 to the consolidated financial statements.

Particulars regarding impairment testing on goodwill are disclosed in Note 20 to the consolidated financial statements.

20. IMPAIRMENT TESTING ON GOODWILL

As explained in Note 7 to the consolidated financial statements, the Group uses business segments as its primary segment for reporting segment information. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The carrying amount of goodwill (net of accumulated impairment losses) as at 31 March 2009 and 2008 is allocated as follow:

	2009	2008
	HK$'000	HK$'000
Exhibition organisation – Asia (other than the PRC)	–	6,800

The valuation was prepared using the value-in-use model and was determined from the cash flow projection based on the CGU's financial budgets approved by senior management covering a period of five-years, and discounted at 17% p.a. (2008: 15% p.a.). The key assumption for the value-in-use calculation is the discount rate applied which is determined based on past performance and the expectations for the market development.

21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2007	–	4,322	888	5,210
Exchange adjustments	–	8	6	14
Additions	721	576	703	2,000
At 31 March 2008	721	4,906	1,597	7,224
Exchange adjustments	–	2	9	11
Additions	497	1,021	547	2,065
At 31 March 2009	1,218	5,929	2,153	9,300
DEPRECIATION				
At 1 April 2007	–	3,757	786	4,543
Exchange adjustments	–	2	3	5
Provided for the year	54	270	125	449
At 31 March 2008	54	4,029	914	4,997
Exchange adjustments	–	1	1	2
Provided for the year	228	434	226	888
At 31 March 2009	282	4,464	1,141	5,887
CARRYING AMOUNTS				
At 31 March 2009	**936**	**1,465**	**1,012**	**3,413**
At 31 March 2008	667	877	683	2,227

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

Leasehold improvements	20%
Furniture and equipment	20%
Motor vehicles	20%

The carrying amount of a motor vehicle includes an amount of approximately HK$202,000 (2008: HK$283,000) in respect of asset held under obligation under finance lease which shown in Note 30 to the consolidated financial statements.

22. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	2009 HK$'000	2008 HK$'000
Share of net assets	**166**	–

Details of the Company's jointly-controlled entity are set as follows:

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activities
余姚市訊展會議展覽有限公司 (Yuyao Xunzhan Convention & Exhibition Co., Ltd*)	Incorporated	The PRC	The PRC	Ordinary	30%	30%	Exhibition organisation

The summarised financial information in respect of the Group's interests in a jointly-controlled entity is set out below:

	2009 HK$'000	2008 HK$'000
Current assets	**549**	–
Non-current assets	**3**	–
Income	**1**	–
Expenses	**70**	–

* English name is for identification purpose only.

23. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2009	2008
	HK$'000	HK$'000
Unlisted securities:		
– Equity securities	**300**	300
– Less: Impairment losses recognised	**(300)**	(300)
Total	**–**	–

The unlisted equity securities represent 19.5% equity interests in Inforchain, a company incorporated in the BVI and the branch of which operates a portal that provides online exhibition services complementary to the Group's offline exhibition business. The investments were measured at costs less impairment at each balance sheet date because the ranges of reasonable fair values estimates were so significant that the Directors of the Company were of the opinion that their fair values could not be measured.

24. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place/country of incorporation or registration	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company				Proportion of voting power held by the Company		Principal activities
			Directly		Indirectly				
			2009 %	2008 %	**2009 %**	2008 %	**2009 %**	2008 %	
Infosky Group Limited *(Note (i))*	BVI	US$201	**99.5**	99.5	**–**	–	**99.5**	99.5	Investment holding
Chan Chao International Co., Limited	BVI	US$1,000	**–**	50.1	**49.85**	–	**49.85**	50.1	Exhibition organisation and provision of promotion and marketing services
Global Challenge Limited ("GCL")	BVI	US$10	**–**	–	**99.5**	99.5	**99.5**	99.5	Exhibition organisation and provision of promotion and marketing services
Paper Communication Publications Limited	Hong Kong	HK$1,000	**–**	–	**99.5**	99.5	**99.5**	99.5	Publication of trade magazine
廣東訊展會議展覽有限公司 (Guangdong Xunzhan Convention & Exhibition Limited*) *(Note (ii))*	The PRC	HK$1,000,000	**–**	–	**99.5**	99.5	**99.5**	99.5	Exhibition organisation
上海訊展會議展覽有限公司 (Shanghai Xunzhan Convention & Exhibition Limited*) *(Note (iii))*	The PRC	US$140,000	**–**	–	**99.5**	99.5	**99.5**	99.5	Exhibition organisation
Billion Station Limited ("BSL")	BVI	US$10,000	**100**	100	**–**	–	**100**	100	Investment holding
Glory Prospect Limited	Hong Kong	HK$1	**–**	–	**100**	100	**100**	100	Provision of administrative services

* English name is for identification purpose only.

24. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

Notes

(i) During the year ended 31 March 2008, the Group recognised a gain of approximately HK$45,000 on deemed disposal of a subsidiary following the dilution of the Group's interest in Infosky Group Limited from 100% to 99.5% as a result of subscription of newly issued share capital of Infosky Group Limited by an independent third party.

(ii) 廣東訊展會議展覽有限公司(Guangdong Xunzhan Convention & Exhibition Limited) was established as wholly-foreign owned enterprise under the laws of the PRC with limited liability on 27 December 2004 and is currently wholly-owned by GCL.

(iii) 上海訊展會議展覽有限公司(Shanghai Xunzhan Convention & Exhibition Limited) was established as wholly-foreign owned enterprise under the laws of the PRC with limited liability on 8 August 2006 and is currently wholly-owned by GCL.

25. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	HK$'000
Trade receivables *(Note (i))*	**2,920**	3,751
Less: Impairment loss recognised	**(2,162)**	(1,384)
	758	2,367
Other receivables, deposits and prepayments *(Notes (ii) and (iii))*	**15,622**	5,625
Less: Impairment loss recognised	**(1,633)**	(1,398)
	13,989	4,227
Total trade and other receivables	**14,747**	6,594

Notes

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

25. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes (Continued)

(ii) Included in other receivables is an amount of accrued interest at 6% per annum amounted to approximately US$1,144,000 (equivalent to approximately HK$8,924,000), arising from a deposit maintained with a reputable bank in the PRC for acquisition of the entire equity interest and subscription of new shares in Triumph Fund A Limited (the "Target") as detailed in Note 26 to the consolidated financial statements. The accrued interest was fully settled by Mr. Zhao Ming (the "Vendor"), on 10 September 2009.

(iii) Included in other receivables is an amount due from Chan Chao International Co., Limited, a company incorporated in Taiwan, Republic of China ("Chan Chao Taiwan") amounted to approximately HK$40,000 (2008: Nil), in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests. The amount due is unsecured, interest-free and has no fixed terms of repayment.

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

	2009	2008
	HK$'000	HK$'000
0 – 30 days	**226**	476
31 – 60 days	**69**	155
Over 60 days	**463**	1,736
	758	2,367

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately HK$83,000 (2008: approximately HK$351,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2009	2008
	HK$'000	HK$'000
0 – 30 days	**12**	48
31 – 60 days	**18**	192
Over 60 days	**53**	111
	83	351

25. TRADE AND OTHER RECEIVABLES *(Continued)*

Movement of impairment losses recognised

	2009 HK$'000	2008 HK$'000
Balance at beginning of the year	**2,782**	2,082
Impairment losses recognised on receivables	**1,203**	744
Amount written off as uncollectible	**(172)**	–
Amount reversed during the year	**(8)**	–
Amount recovered during the year	**(10)**	(44)
Balance at end of the year	**3,795**	2,782

The Group has provided in full all receivables overdue for one year (2008: one year) because historical experience is such that receivables that are past due beyond one year are generally not recoverable.

Ageing of impaired trade receivables

	2009 HK$'000	2008 HK$'000
Over 60 days	**2,162**	1,384

26. DEPOSIT FOR ACQUISITION

	2009 HK$'000	2008 HK$'000
Deposit for acquisition	**156,000**	–

On 27 May 2008, Billion Station Limited ("BSL"), a wholly-owned subsidiary of the Company, announced that it had entered into a conditional sale and purchase agreement dated 18 April 2008 (the "Agreement") with a third party to acquire the entire equity interest for sale consideration of approximately HK$460,599,000 and subscription of new shares in the Target for subscription consideration of approximately HK$554,939,000 (the "Acquisition"). Pursuant to the Agreement, BSL shall pay a deposit amounted to US$20,000,000 (the "Deposit") (equivalent to approximately HK$156,000,000) as part payment of the consideration for the subscription of equity interest in the Target. The Vendor has guaranteed to BSL, for the return of the Deposit together with the accrued interest thereon at 6% per annum. Completion is subject to fulfillment of a number of conditions within 120 business days from the date of the Agreement, failing which the Target shall forthwith after such cessation and determination, refund the deposit together with interest at 6% per annum accrued thereon, to BSL.

26. DEPOSIT FOR ACQUISITION *(Continued)*

During the year, the Deposit was duly paid to the Target, and it was retained in a designated bank account with a reputable bank in the PRC.

On 26 May 2008, the Vendor, the Target and its subsidiary and Shanxi Puhua Deqin Metallurgy Technology Co., Limited (collectively referred to as the "Warrantors") and BSL entered into a supplementary agreement to amend, vary or modify certain terms and conditions of the Agreement.

On 15 August 2008, BSL and the Warrantors entered into the second supplemental agreement pursuant to which the date on or before which the conditions precedent for the acquisition have to be satisfied has been extended to 18 December 2008.

On 17 December 2008, BSL and the Warrantors entered into the third supplemental agreements pursuant to which the date on or before which the conditions precedent for the acquisition have to be satisfied has been extended to 30 June 2009.

On 31 March 2009, the Company announced that BSL has given notice to the Warrantors to terminate the Agreement (as supplemented by three subsequent supplemental agreements respectively dated 26 May 2008, 15 August 2008 and 15 December 2008) (collectively, the "Original Agreement").

Following the termination of the Acquisition, there has been renegotiation between BSL and the Vendor. On 26 June 2009, BSL and the Warrantors entered into memorandum of understanding (the "MOU") in relation to a potential acquisition of entire issued share capital of and subscription of new shares to be issued by the Target (the "Proposed Acquisition").

On 27 July 2009, the Company announced that the Warrantors have given notice to BSL confirming their intention not to proceed with the negotiation with BSL in relation to the Proposed Acquisition contemplated under the MOU. Negotiation in relation to the Proposed Acquisition has therefore ceased. On the same date, BSL has given notice to the Vendor and the Target for the immediate return of the Deposit together with the interest at 6% per annum accrued thereon.

On 23 September 2009, the Company announced that the Vendor has on 10 September 2009 returned the Deposit and the interest thereon to the Group.

27. BANK BALANCES AND CASH

Bank balances and cash comprised cash held by the Group and bank balances that are interest bearing at prevailing market rate and have original maturity of three months or less.

Bank balances carry interest at market rates which range from 0.29% to 1.28% per annum. (2008: 3% to 5.5% per annum.). No pledged bank deposits were held by the Group and the Company for the years ended 31 March 2009 and 2008.

The bank balances and cash of the Group are mainly denominated in Hong Kong dollars and Renminbi ("RMB"). Included in the bank balances and cash as at 31 March 2009 was amount denominated in RMB of approximately HK$3,376,000 (2008: approximately HK$14,871,000). RMB is not freely convertible into their currencies.

28. TRADE AND OTHER PAYABLES

	2009 **HK$'000**	2008 HK$'000
Trade payables	**589**	1,348
Other payables *(Note (ii))*	**13,822**	3,553
	14,411	4,901

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

	2009 **HK$'000**	2008 HK$'000
0 – 30 days	**215**	930
31 – 60 days	**354**	374
Over 60 days	**20**	44
	589	1,348

Notes

(i) The average credit period given by the suppliers is of 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

As at the balance sheet date, none of the trade payables were past due. Trade and other payables are non-interest-bearing.

(ii) Included in other payables are the amounts of accrued interest expenses at a fixed rate of 6% per annum on the loans from Linden Ventures III (BVI) Limited ("Linden Ventures") and CMTF Private Equity One ("CMTF") amounted to approximately US$715,000 and approximately US$429,000 respectively (equivalent to approximately HK$5,577,000 and approximately HK$3,347,000 respectively), as detailed in Note 29 to the consolidated financial statements.

29. BORROWINGS

	2009 HK$'000	2008 HK$'000
Loan from a related party *(Note (i))*	**97,500**	–
Loan from an entity *(Note (ii))*	**58,500**	–
	156,000	–

Notes

(i) An unsecured fixed rate loan with Linden Ventures amounted to US$12,500,000 (equivalent to approximately HK$97,500,000) with maturity periods of three months from the drawdown date which may be extended not exceeding four months provided that BSL, Linden Ventures and the Company mutually agree in writing. The weighted average effective interest rate on the fixed rate loan is 6% per annum.

For the year ended 31 March 2009, the Group was accrued interest expenses for the year on the loan with a carrying amount of approximately HK$97,500,000.

During the year and subsequent to balance sheet date, the loan which was extended under a series of extension agreements reached maturity on 18 June 2009 on which Linden Ventures did not request accelerated repayment of the loan together with interest thereon and the terms of the loan were not changed.

(ii) An unsecured fixed rate loan with CMTF amounted to US$7,500,000 (equivalent to approximately HK$58,500,000) with maturity periods of three months from the drawdown date which may be extended not exceeding four months provided that BSL, CMTF and the Company mutually agree in writing. The weighted average effective interest rate on the fixed rate loan is 6% per annum.

For the year ended 31 March 2009, the Group was accrued interest expenses for the year on the loan with a carrying amount of approximately HK$58,500,000.

During the year and subsequent to balance sheet date, the loan which was extended under a series of extension reached maturity on 18 June 2009 on which CMTF did not request accelerated repayment of the loan together with interest thereon and the terms of the loan were not changed.

(iii) As disclosed in Note 37(v) to the consolidated financial statements, on 10 September 2009, the repayment of the above mentioned loans and outstanding accelerated interest payments as detailed in Note 28(ii) to the consolidated financial statements was settled by the Vendor by way of deeds of release. Accordingly, all the BSL's obligations in respect of the loans have been fully discharged and the Company has been released and discharged from all the obligations under the guarantees in relation to the loans by way of deeds of release and discharge executed under seal in favour of BSL and the Company respectively.

30. OBLIGATION UNDER FINANCE LEASE

During the year, the Group has obligation under finance lease with a motor vehicle. The lease term is 3 years (2008: 3 years). Interest rate underlying the obligation under finance lease is fixed at contract date of 6.5% (2008: 6.5%) per annum. The lease has no terms of renewal or purchase options and escalation clauses. No arrangements have been entered into for contingent rental payments.

	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance lease:				
Within one year	**37**	37	**35**	32
In more than one year but not more than five years	**12**	49	**12**	47
	49	86	**47**	79
Less: future finance charges	**(2)**	(7)	**–**	–
Present value of lease obligation	**47**	79	**47**	79
Less: Amount due for settlement with 12 months (shown under current liabilities)			**(35)**	(32)
Amount due for settlement after 12 months			**12**	47

The Group's obligation under finance lease is secured by the charge over the leased asset.

Financial lease obligation is denominated in Hong Kong dollars.

31. SHARE CAPITAL

	Number of shares		Share capital	
	2009	2008	**2009**	2008
	'000	'000	**HK$'000**	HK$'000
Authorised				
2,000,000,000 ordinary shares of HK$0.01 each	**2,000,000**	2,000,000	**20,000**	20,000
Issued and fully paid				
At beginning of the year	**885,640**	845,640	**8,856**	8,456
Exercise of share options *(Notes (i) and (ii))*	**–**	40,000	**–**	400
Placement of shares *(Note (iii))*	**90,000**	–	**900**	–
At end of the year	**975,640**	885,640	**9,756**	8,856

Notes

(i) On 15 October 2007, the Company issued 8,000,000 ordinary shares of HK$0.01 each, at HK$0.08 on exercise of share options which were granted on 10 July 2002. These shares issued rank pari passu in all respects with the existing shares of the Company. The proceeds were used to provide general working capital for the Company.

(ii) On 19 December 2007, the Company issued 32,000,000 ordinary shares of HK$0.01 each, at HK$0.08 on exercise of share options which were granted on 10 July 2002. These shares issued rank pari passu in all respects with the existing shares of the Company. The proceeds were used to provide general working capital for the Company.

(iii) Pursuant to a placing and subscription agreement dated 28 May 2008 between the Company and Goldin Securities Limited (the "Placing Agent"), the Company agreed to place through the Placing Agent 90,000,000 new shares of the Company at the placing price of HK$0.31 per share. The placing was completed on 3 June 2008 and net proceed of approximately HK$27,000,000 was received on 3 June 2008. Details of the placing are set out in a circular to the shareholders of the Company dated 29 May 2008. These shares issued rank pari passu in all respects with the existing shares of the Company. The proceeds were used to provide general working capital for the Company.

(iv) None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's listed shares during the year.

32. SHARE-BASED PAYMENT TRANSACTIONS

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

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

32. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The following table discloses movements of the Company's share options held by directors and employees during the year ended 31 March 2009:

Name/category of participants	Number of share options: At 1 April 2008	Granted during the year	Exercised during the year	At 31 March 2009	Date of grant of share options	Exercise period of shares options	Exercise price per share	Options exercisable at the end of the year
Directors								
Mr. Lee Chi Shing, Caesar	8,000,000	–	–	8,000,000	14 December 2007	14 December 2007 - 13 December 2017	HK$0.28	8,000,000
	–	1,750,000 *(Note (i))*	–	1,750,000	14 August 2008	14 August 2008 - 13 August 2018	HK$0.187	1,750,000
Mr. Kwok Kwan Hung	800,000	–	–	800,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	800,000
Mr. Leung Chi Kong	500,000	–	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
Mr. Chan Wai Man	500,000	–	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
Employee	500,000	–	–	500,000	25 March 2008	25 March 2008 - 24 March 2018	HK$0.25	500,000
Employees	–	300,000 *(Note (i))*	–	300,000	14 August 2008	14 August 2008 - 13 August 2018	HK$0.187	300,000
Total	10,300,000	2,050,000	–	12,350,000				12,350,000
Weighted average exercised price	HK$0.287	HK$0.187	–	HK$0.271				HK$0.271

Notes

(i) The closing price of the shares of the Company immediately before the date of grant (as of 14 August 2008) was HK$0.186.

(ii) There were no share options cancelled, lapsed or forfeited during the year ended 31 March 2009.

(iii) There were no share options exercised during the year ended 31 March 2009.

(iv) There were no share options expired during the year ended 31 March 2009.

32. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The following table discloses movements of the Company's share options held by directors and employees during the year ended 31 March 2008:

	Number of share options							
Name/category of participants	**At 1 April 2007**	**Granted during the year**	**Exercised during the year**	**At 31 March 2008**	**Date of grant of share options**	**Exercise period of shares options**	**Exercise price per share**	**Options exercisable at the end of the year**
Directors								
Mr. Cheng Kwok Lai	8,000,000 *(Note (vii))*	–	(8,000,000) *(Note (i))*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Chan Wing Sum	8,000,000 *(Note (vii))*	–	(8,000,000) *(Note (i))*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Kwok Kam Tim	8,000,000 *(Note (vii))*	–	(8,000,000) *(Note (i))*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Lee Chi Shing, Caesar	–	8,000,000 *(Note (ii))*	–	8,000,000	14 December 2007	14 December 2007 - 13 December 2017	HK$0.28	8,000,000
Mr. Kwok Kwan Hung	–	800,000 *(Note (iii))*	–	800,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	800,000
Mr. Leung Chi Kong	–	500,000 *(Note (iii))*	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
Mr. Chan Wai Man	–	500,000 *(Note (iii))*	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
Employees	12,000,000 *(Note (vii))*	–	(12,000,000) *(Note (iv))*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Employee	–	500,000 *(Note (v))*	–	500,000	25 March 2008	25 March 2008 - 24 March 2018	HK$0.25	–
Consultant	4,000,000 *(Note (vii))*	–	(4,000,000) *(Note (vi))*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Total	40,000,000	10,300,000	(40,000,000)	10,300,000				9,800,000
Weighted average exercise price	HK$0.080	HK$0.287	HK$0.080	HK$0.287				HK$0.289

32. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Notes

(i) The share options were exercised on 19 December 2007. The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$0.28.

(ii) The closing price of the shares of the Company immediately before the date of grant (as of 14 December 2007) was HK$0.27.

(iii) The closing price of the shares of the Company immediately before the date of grant (as of 15 February 2008) was HK$0.33.

(iv) 4,000,000 and 8,000,000 of options were exercised on 15 October 2007 and 19 December 2007 respectively. The weighted average closing price of the Company immediately before the date on which the options were exercised was HK$0.17 and HK$0.27 respectively.

(v) Options granted to the employee have vesting period of six months and one year of 250,000 each. The closing price of the shares of the Company immediately before the date of grant (as of 25 March 2008) was HK$0.25.

(vi) The share options were exercised on 15 October 2007. The weighted average closing price of the shares of the Company immediately before the date on which the option were exercised was HK$0.18.

(vii) The closing price of the shares immediately before the date on which the options were granted was HK$0.08.

(viii) There were no share options cancelled, lapsed or forfeited during the year ended 31 March 2008.

(ix) There were no share options expired during the year ended 31 March 2009.

The fair value of the options granted during the year ended 31 March 2009 was estimated as at the date of grant using the Black-Scholes option pricing model with the following assumptions:

(a) Risk-free interest rate – the yields of 10-year Hong Kong Exchange Fund Note;

(b) Expected volatility of share price – the 52 weeks historical volatility of closing prices of the shares of the Company from Bloomberg;

(c) Expected life of share options – one to two years;

(d) Dividend yield – Nil; and

(e) No other feature of the options granted was incorporated into the measurement of fair values.

32. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The fair value of the options granted during the year ended 31 March 2008 was estimated as at the date of grant using the Black-Scholes option pricing model with the following assumptions:

(a) Risk-free interest rate – the yields of 10-year Hong Kong Exchange Fund Note;

(b) Expected volatility of share price – the 156 weeks historical volatility of closing prices of the shares of the Company from Bloomberg;

(c) Expected life of share options – one to two years;

(d) Dividend yield – five to six percents; and

(e) No other feature of the options granted was incorporated into the measurement of fair values.

The variables and assumptions used in computing the fair values of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

According to the Black-Scholes option pricing model, the fair value of the options granted during the year ended 31 March 2009 was approximately HK$174,000 (2008: approximately HK$637,000) of which the Group recognised a share option expense of approximately HK$213,000 (2008: approximately HK$598,000) for the year ended 31 March 2009.

As at 31 March 2009, the Company had 12,350,000 (2008: 10,300,000) options outstanding under the Share Option Scheme. The exercise in full of the remaining options would, under the present capital structure of the Company, result in the issue of 12,350,000 (2008: 10,300,000) additional ordinary shares of the Company.

33. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 37 to the financial statements.

The Company

	Share premium HK$'000	Retained profits/ (accumulated loss) HK$'000	Total HK$'000
At 1 April 2007	4,552	4,794	9,346
Profit for the year	–	9,974	9,974
Issue of ordinary shares upon exercise of share options	2,800	–	2,800
Transaction costs attributable to issue of new shares	(62)	–	(62)
Recognition of equity-settled share-based payments	–	598	598
Dividends paid in respect of *(Note 15)*			
– 2007 final dividend	–	(4,228)	(4,228)
– 2008 special dividend	(4,552)	(8,733)	(13,285)
At 31 March 2008 and 1 April 2008	2,738	2,405	5,143
Loss for the year	–	(35,825)	(35,825)
New issue of ordinary shares	27,000	–	27,000
Transaction costs attributable to issue of new shares	(881)	–	(881)
Recognition of equity-settled share-based payments	–	213	213
At 31 March 2009	**28,857**	**(33,207)**	**(4,350)**

Under the Companies Laws of the Cayman Islands, the share premium account is distributable to the equity holders of the Company provided that immediately following the distribution or payment of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserves available for distribution comprise the share premium account and retained profits. As at 31 March 2009, in the opinion of the Directors, no reserves of the Company available for distribution to the equity holders of the Company (2008: approximately HK$5,143,000).

34. OPERATING LEASES

The Group as lessee

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

	2009 **HK$'000**	2008 HK$'000
Within one year	**848**	704
In the second to fifth years inclusive	**180**	378
	1,028	1,082

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed for terms ranging from one to two years. (2008: one to two years).

35. COMMITMENTS

Pursuant to an agreement entered into between the Company and 中國吸煙與健康協會 (the "Association") in April 2004, the Association assigned to the Company the exclusive rights for the placement of advertisements in the advertising display panels which are to be built in primary and secondary schools in Guangzhou, the PRC, for a period of ten years. A fee would be paid to the Association for such exclusive rights in accordance with the terms of the agreement. As at 31 March 2009, the Company had future minimum payments under the non-cancellable terms of the agreement in respect of such exclusive rights amounting to approximately HK$1 million and such amount is payable within the next twelve months after the balance sheet date. According to the confirmation letter issued by the Association in August 2005, settlement of the amount would be deferred until the operation of the advertising display panels generates income. As income generated from the use of the aforementioned panels did not reach the Company's expected target, the Company had not paid the amount up to 31 March 2009. In the opinion of the Directors, the Company would not incur any legal liability to pay or to compensate the Association.

In addition, the Group has entered into an agreement for the consultancy service of exhibition organisation for a period of two years, which will give rise to an annual charge of HK$2,000,000 (2008: Nil).

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group had entered into the following significant related party transactions during the year:

Rentals

During the year ended 31 March 2009, the Group paid rent totaling HK$360,000 (2008: HK$250,000) to a director of the Company's subsidiary for the lease of office premises owned by him. The Directors consider that the rental was calculated by reference to open market rentals.

Agency and management services agreements

During the year, the Group has entered into the following agency agreement and management service agreement with Chan Chao International Co. Limited ("Chan Chao Taiwan") a company incorporated in Taiwan, Republic of China and in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests.

(i) Agency agreement

During the year, an indirect wholly-owned subsidiary of the Company, GCL entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2008, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/or organising any exhibitions when instructed by GCL under the agency agreement.

During the year ended 31 March 2009, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$223,000 (2008: approximately HK$573,000).

(ii) Management service agreement

During the year, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in BVI, entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2008, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia".

During the year ended 31 March 2009, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$65,000 (2008: approximately HK$276,000).

36. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

Agency and management services agreements *(Continued)*

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

Borrowings and loan interest

During the year, BSL entered into a loan agreement with Linden Ventures, which is a wholly-owned subsidiary of Linden Capital L.P. ("Linden Capital"). Since Linden Capital is a shareholder of the Company, the loan amounted to US$12,500,000 (equivalent to approximately HK$97,500,000) together with interest of 6% per annum thereon from Linden Ventures as detailed in Note 29(i) to the consolidated financial statements which constitutes a connected transaction on the part of the Company. As Linden Ventures provides financial assistance to the Company on normal commercial terms and no security over the assets of the Group is granted, the loan constitutes an exempted connected transaction on the part of the Company under Rule 20.65(4) of the GEM Listing Rules.

Compensation to key management personnel

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

	2009	2008
	HK$'000	HK$'000
Short-term benefits	**9,394**	9,039
Post-employment benefits	**131**	150
Share-based payments	**153**	597
	9,678	9,786

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

37. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in these consolidated financial statements, subsequent to the balance sheet date, the Group had the following material events:

(i) On 17 April 2009, the Group entered into extension agreements with Linden Ventures and CMTF for the loans of US$12,500,000 (equivalent to approximately HK$97,500,000) and US$7,500,000 (equivalent to approximately HK$58,500,000) respectively, pursuant to which the terms of the loans have been extended for a further one-month period to 18 May 2009.

(ii) On 18 May 2009, the Group further entered into extension agreements with Linden Ventures and CMTF for the loans of US$12,500,000 (equivalent to approximately HK$97,500,000) and US$7,500,000 (equivalent to approximately HK$58,500,000) respectively, pursuant to which the terms of the loans have been extended for a further one-month period to 18 June 2009.

(iii) On 26 June 2009, the Company announced that BSL and the Warrantors entered into the MOU in relation to the Proposed Acquisition, subject to further negotiation between the same parties involved in the Original Agreement, at an indication aggregate consideration not exceeding of RMB588,000,000.

BSL and the Warrantors agreed that the Deposit paid to the Target by BSL pursuant to the Original Agreement shall be applied towards the settlement of the consideration payable for the Proposed Acquisition.

(iv) On 28 July 2009, the Company announced that the Warrantors have given notice to BSL confirming their intention not to proceed with the negotiation with BSL in relation to the Proposed Acquisition contemplated under the MOU. Negotiation in relation to the Proposed Acquisition has therefore ceased. On the same date, BSL has given notice to the Vendor and the Target for the immediate return of the Deposit together with the interest at 6% per annum accrued thereon.

(v) On 23 September 2009, the Company announced that following the termination of the Acquisition and the lapse of the MOU, the Vendor has on 10 September 2009 returned the Deposit and the interest thereon to the Group. At the same time and at the instruction of BSL, the Vendor had on behalf of BSL settled the principal and interest thereon due under the loans originally advanced to BSL by Linden Ventures and CMTF. Accordingly, all the BSL's obligations in respect of the loans have been fully discharged and the Company has been released and discharged from all the obligations under the guarantees in relation to the loans by way of deeds of release and discharge executed under seal in favour of BSL and the Company respectively.

FINANCIAL SUMMARY

The following table summaries the results, assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements:

	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**68,869**	88,545	79,621	48,618	58,918
(Loss)/Profit attributable to equity holders of the Company	**(36,136)**	7,432	19,787	8,129	13,010
Total assets	**193,815**	41,065	52,908	37,315	34,646
Total Liabilities	**(174,775)**	(13,318)	(20,045)	(12,401)	(7,718)
Net assets	**19,040**	27,747	32,863	24,914	26,928

Notes

(i) The results and assets and liabilities of the Group for the year ended 31 March 2009 have been extracted from the consolidated income statement and consolidated balance sheet as set out on pages 34 and 35 respectively of the accompanying consolidated financial statements.

(ii) The financial summary of the Group has been included is for information only and does not form part of the audited consolidated financial statements.