

SMI Publishing Group Limited

Annual Report 2010 年報



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

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

Stock Code 股份代號：8010



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This report, for which the directors (the “Directors”) of SMI Publishing Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Contents

目錄

Corporate Information	2	公司資料
Managing Director's Statement	5	董事總經理報告書
Biographical Information of Directors	6	董事履歷資料
Management Discussion & Analysis	10	管理層討論及分析
Directors' Report	15	董事會報告書
Corporate Governance Report	24	企業管治報告
Independent Auditor's Report	33	獨立核數師報告書
Consolidated Statement of Comprehensive Income	37	綜合全面收益表
Consolidated Statement of Financial Position	38	綜合財務狀況表
Statement of Financial Position	40	財務狀況表
Consolidated Statement of Changes in Equity	41	綜合權益變動表
Consolidated Statement of Cash Flows	42	綜合現金流量表
Notes to the Financial Statements	44	財務報表附註
Five Year Financial Summary	132	五年財務摘要

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

YU Wai Ying, Sammy
WONG Yue Kwan, Alan
LAU Henry
WONG Ching Yip
MA Shui Cheong

Non-Executive Directors

IP Wing Lun
WONG Chi Fai, Theodore

Independent Non-Executive Directors

KONG Tze Wing
HUNG Yat Ming
PAN Chik
WONG Ka Chun, Carson

COMPANY SECRETARY

LAW Hau Kwan

AUTHORISED REPRESENTATIVES

MA Shui Cheong
LAW Hau Kwan

COMPLIANCE OFFICER

IP Wing Lun

AUDIT COMMITTEE

KONG Tze Wing
HUNG Yat Ming
PAN Chik
WONG Ka Chun, Carson

董事會

執行董事

余懷英
王裕鈞
劉瀚偉
王正暉
馬瑞昌

非執行董事

葉泳倫
黃志暉

獨立非執行董事

江子榮
洪日明
潘 稷
黃家駿

公司秘書

羅巧君

授權代表

馬瑞昌
羅巧君

合規主任

葉泳倫

審核委員會

江子榮
洪日明
潘 稷
黃家駿

Corporate Information

公司資料

AUDITORS

BDO Limited

LEGAL ADVISER

Robertsons Solicitors & Notaries

PRINCIPAL BANKS

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

核數師

香港立信德豪會計師事務所有限公司

法律顧問

羅拔臣律師事務所

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

註冊辦事處

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

總辦事處及主要營業地點

香港
阿公岩村道3號
川匯集團大廈3樓

股份登記及 過戶總處

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

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

STOCK CODE

8010

WEBSITE

www.singpao.com

股份登記及過戶處 香港分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘滙中心26樓

股份編號

8010

網站

www.singpao.com

Managing Director's Statement

董事總經理報告書

I have pleasure in presenting the business operation report and the audited financial statements of SMI Publishing Group Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 March 2010.

The fiscal year ending 31 March 2010, was a year of challenges. Triggered by the global recession, the difficult economic environment in Hong Kong has tested the strength of all companies and we have no exception this rule. The Group first started to regain growth by 11.5% on turnover after a five-consecutive-years dropping trend, and our net loss has sized to approximately HK\$63,743,000, similar what we did last year. We have successfully controlled our cost of operation within an acceptable degree and expensed on the right place to market our Company.

In the forthcoming year, as react to the mainland China market, we will continuously seek business and development opportunities there. As in Hong Kong, we are working on resuming our printing machine. Later of the year, our printing cost will be reduced as a results of that. We also target to penetrate into other business area such as magazine and special projects. In brief we are actively looking for business opportunities to expand the Group's business as well as widening the income streams of the Group's operations.

Other than expanding our business, we are consistently seeking ways to drive closer our relation with our readers and advertisers, enhancements to our products to meet the evolving habits of our readers and advertisers.

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

MA Shui Cheong
Managing Director

Hong Kong, 21 June 2010

本人欣然提呈星美出版集團有限公司（「本公司」）及其附屬公司（「本集團」）截至二零一零年三月三十一日止財政年度之業務報告及經審計之財務報表。

截至二零一零年三月三十一日止財政年度為充滿挑戰之一年。全球經濟衰退導致香港之經濟環境變得艱巨，考驗所有公司之實力，而本集團亦未能置身事外。本集團之營業額於連續五年下跌後取得11.5%之增長，而本集團之虧損淨額與去年相若，約為港幣63,743,000元。本集團成功將經營成本控制在接受之水平內，並適當運用有關款項，為本公司進行推廣。

於未來一年，為配合中國內地市場，本集團將繼續於內地尋求業務及發展機遇。至於香港方面，本集團正嘗試重新啟用印刷機器。本集團預期於本年度較後期間，印刷成本將因而降低。本集團亦以打入其他業務領域為目標，例如雜誌及特別項目等。總括而言，本集團正積極物色商機，以拓展本集團業務及擴闊本集團營運之收入來源。

除拓展業務外，本集團亦不斷尋求方法拉近與讀者及廣告商之距離，並提升產品質素，以迎合讀者及廣告商瞬息萬變之習慣。

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

馬瑞昌
董事總經理

香港，二零一零年六月二十一日

Biographical Information of Directors

董事履歷資料

EXECUTIVE DIRECTORS

Mr. WONG Yue Kwan, Alan, aged 43, was appointed as an Executive Director of the Company on 8 May 2008. He has accumulated over 10 years of experience in management of business trade and project investments.

Mr. YU Wai Ying, Sammy, aged 55, was appointed as an Executive Director of the Company on 3 September 2008. He has accumulated over 30 years of experience in coaching and management of football clubs and the post various from First Team Coach to Head Coach and Manager. He also has experiences in hosting sport programs and commentating football matches for TVB, ATV, Cable TV and Star TV.

Mr. LAU Henry, aged 35, was appointed as an Executive Director of the Company on 4 September 2009. He holds a Bachelor Degree of Commerce in Property Economics from The University of Western Sydney. He has accumulated over 10 years of experience in marketing and media.

Mr. WONG Ching Yip, aged 38, was re-designated to Executive Director from Independent Non-executive Director on 13 May 2010. He holds a B. A. Double Degree in Business Administration and Economics. He has accumulated over 10 years of experience in sales and marketing.

Mr. MA Shui Cheong, aged 49, was appointed as an Executive Director and Managing Director of the Company on 13 May 2010. He has over 10 years of working experience in managing various businesses in PRC. He holds a Bachelor Degree of Business Administration in Management from The Open University of Hong Kong.

執行董事

王裕鈞先生，現年四十三歲，於二零零八年五月八日獲委任為本公司之執行董事。彼於商貿管理及項目投資方面累積逾十年經驗。

余懷英先生，現年五十五歲，於二零零八年九月三日獲委任為本公司之執行董事。彼在指導及管理足球球會方面累積逾30年經驗，曾擔任正選隊教練、總教練及經理之職位。彼亦曾於無線電視、亞洲電視、有線電視及衛星電視主持運動節目及評述足球比賽。

劉瀚偉先生，現年三十五歲，於二零零九年九月四日獲委任為本公司之執行董事。彼持有西悉尼大學房地產經濟學商業學士學位。彼於市場推廣及傳媒方面擁有逾十年工作經驗。

王正曄先生，現年三十八歲，於二零一零年五月十三日由獨立非執行董事調任為執行董事。彼持有工商管理及經濟學士雙學位。彼在銷售及市場推廣方面累積逾十年經驗。

馬瑞昌先生，現年四十九歲，於二零一零年五月十三日獲委任為本公司之執行董事及董事總經理。彼在中國擁有逾十年管理多種業務之工作經驗。彼持有香港公開大學工商管理學士。

Biographical Information of Directors

董事履歷資料

NON-EXECUTIVE DIRECTORS

Mr. IP Wing Lun, aged 42, was appointed as a Non-Executive Director of the Company on 10 August 2009. He holds a Master Degree in Business Administration and is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Institute of Chartered Secretaries and Administrator, the Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong and an ordinary member of Hong Kong Securities Institute. He is a Certified Public Accountant (Practising) in Hong Kong. He has accumulated over 15 years of experience in auditing, taxation and provision of financial consultancy services to companies in Hong Kong and PRC. He is currently an executive director of Birmingham International Holdings Limited (Stock code: 2309), the company is listed on the Main Board of the Stock Exchange.

Mr. WONG Chi Fai, Theodore, aged 40, was appointed as a Non-Executive Director of the Company on 10 August 2009. He holds a Bachelor of Arts Degree in Economics from Lakehead University in Canada. He has accumulated over 15 years of experience in marketing, product management, strategic planning and management of companies in Hong Kong.

非執行董事

葉泳倫先生，現年四十二歲，於二零零九年八月十日獲委任為本公司之非執行董事。彼持有工商管理碩士學位，並為香港會計師公會資深會員、英國特許秘書及行政人員公會、香港特許秘書公會及香港稅務學會會員及香港證券專業學會會員。彼為香港執業會計師。彼在香港及中國公司之審核、稅務及提供財務顧問服務方面擁有逾15年經驗。彼現時為伯明翰環球控股有限公司（股份編號：2309）之執行董事，該公司於聯交所主板上市。

黃志暉先生，現年四十歲，於二零零九年八月十日獲委任為本公司之非執行董事。彼持有加拿大Lakehead University經濟系文學學士學位。彼於香港之市場推廣、產品管理、策略計劃及公司管理方面擁有逾15年經驗。

Biographical Information of Directors

董事履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KONG Tze Wing, *MH JP*, aged 58, was appointed as an Independent Non-Executive Director of the Company on 20 April 2007. He holds a Bachelor Degree in Accounting and a Bachelor Degree in Business Administration. He is a fellow member of the Association of Chartered Certified Accountants since 1985 and became a fellow member of the Hong Kong Institute of Certified Public Accountants in 1995. He became an ACA of The Institute of Chartered Accountants in England and Wales in October 2004. He was a former Vice President and former Chairman of Mainland Affairs Committee of Hong Kong Institute of Accredited Accounting Technicians. He is also the Hon. President of the Institute of Financial Accountants in Hong Kong. He has been a Certified Public Accountants since 1981. He is a sole practitioner of the firm Messrs. James T. W. Kong & Co., Certified Public Accountants (Practising). He was an elected District Board member for the period from 1991 to 2007. He is actively participating in community services and has been appointed by the Hong Kong SAR Government to sit on various committees and appeal boards in Hong Kong.

Mr. HUNG Yat Ming, aged 58, was appointed as an Independent Non-Executive Director of the Company on 3 September 2009. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants of Scotland. He has accumulated over 20 years of experience in accounting and financial management in both private and listed companies. He is currently an Independent Non-Executive Director of Asia Standard Hotel Group Limited (Stock code: 292) and Asia Orient Holdings Limited (Stock code: 214), both companies are listed on the Main Board of the Stock Exchange.

獨立非執行董事

江子榮先生，榮譽勳章，太平紳士，現年五十八歲，於二零零七年四月二十日獲委任為本公司之獨立非執行董事。彼持有會計學士學位及工商管理學士學位。彼自一九八五年起即為英國特許公認會計師公會資深會員，並於一九九五年成為香港會計師公會資深會員。他於二零零四年十月成為英國及威爾士特許會計師協會會員。彼亦為香港財務會計協會前副會長兼中國事務委員會前主席，以及英國財務會計師公會香港分會名譽會長。彼自一九八一年起即為香港執業會計師。彼為江子榮會計師行之唯一執業會計師。彼於一九九一年至二零零七年期間均獲選為民選區議員。彼積極參與社區服務及被香港特別行政區政府委任於多個諮詢委員會及上訴委員會擔任職務。

洪日明先生，現年五十八歲，於二零零九年九月三日獲委任為本公司之獨立非執行董事。彼為香港會計師公會及蘇格蘭特許會計師公會之會員。彼在私人及上市公司之會計及財務管理方面累積逾20年工作經驗。彼現時為泛亞酒店集團有限公司（股份編號：292）及匯漢控股有限公司（股份編號：214）之獨立非執行董事。兩間公司均於香港聯合交易所之主板上市。

Biographical Information of Directors

董事履歷資料

Mr. WONG Ka Chun, Carson, aged 32, was appointed as an Independent Non-Executive Director of the Company on 4 September 2009. He holds a Bachelor Degree in Economics from Simon Fraser University, and a Diploma in Financial Management from British Columbia Institution of Technology. He is a member of the American Institute of Certified Public Accountants. He has substantial experience in auditing and financial analytical experience in a multi-national corporation. He is currently an executive director of iMerchants Limited (Stock code: 8009), a company listed on the GEM Board of the Stock Exchange.

Mr. PAN Chik, aged 42, was appointed as an Independent Non-Executive Director of the Company on 4 September 2009. He holds a Bachelor Degree in Accounting, Finance and Economics from University of Essex in United Kingdom. He has over 17 years of experience in finance and investments. He is specializing in assets management in Hong Kong and the PRC. During the period from 1995 to 2007, He had been the associate director of Lippo Securities Limited. Currently, He is a director of Astrum Capital Management Limited.

黃家駿先生，現年三十二歲，於二零零九年九月四日獲委任為本公司之獨立非執行董事。彼持有西蒙菲莎大學經濟學學士學位及卑斯省理工學院財務管理文憑。彼為美國會計師公會會員。彼於審核及分析跨國公司之財務分析方面擁有豐富經驗。彼現時為於聯交所創業板上市之菱控有限公司（股份編號：8009）之執行董事。

潘稷先生，現年四十二歲，於二零零九年九月四日獲委任為本公司之獨立非執行董事。彼持有英國艾賽克斯大學會計、財務及經濟學士學位。彼於財務及投資擁有逾十七年經驗。彼專責香港及中國之資產管理。於一九九五年至二零零七年期間，彼曾為力寶證券有限公司之副董事。目前，彼為阿仕特朗資本管理有限公司之董事。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange. The Company is an investment holding company. The principal activities of its principal subsidiaries are newspaper and book publication as well as property holding.

The year under review is inevitably another tough year for the Group. With an effective cost containment plan, the Group's administrative expense was under controlled. Major expenses were used to promote the Company in way of placing advertisement in other media such as Roadshow, Metro Broadcast and other magazines. In May 2009, we had a series of celebrating activities for our 70th anniversary.

Under such intensive campaigns, the Group's turnover regained growth by approximately 11.5% after a five-consecutive-years dropping trend. The net loss for the year also recorded a gentle decrease of approximately 1.1% comparing with the previous year.

FINANCIAL REVIEW

Review of Results

The Group's turnover for the year ended 31 March 2010 was approximately HK\$35,108,000, an increase of approximately HK\$3,618,000 or 11.5% as compared with approximately HK\$31,490,000 for the previous year. The increase in turnover was due to the increase in advertising income by approximately 56.7% as compared to the previous year.

業務回顧

本公司為於開曼群島註冊成立之有限公司，其股份於聯交所創業板上市。本公司為一間投資控股公司。其主要附屬公司之主要業務為出版報章及書籍，以及持有物業。

回顧年度為本集團另一個無可避免之嚴峻年度。在實行有效之成本控制計劃下，本集團成功控制其行政開支。主要開支用作在其他媒體，例如路訊通、新城廣播及其他雜誌播放及刊登廣告，以為本公司進行推廣。於二零零九年五月，本集團亦為七十週年誌慶舉行一連串慶祝活動。

在實行有關密集式活動下，本集團之營業額終止連續五年跌勢，錄得約11.5%之增長。年度虧損淨額亦較去年輕微減少約1.1%。

財務回顧

業績回顧

本集團截至二零一零年三月三十一日止年度之營業額約為港幣35,108,000元，較去年約港幣31,490,000元增加約港幣3,618,000元或11.5%。營業額上升乃由於廣告收入較去年增加約56.7%。

Management Discussion & Analysis

管理層討論及分析

Loss attributable to the Company's shareholders for the year ended 31 March 2010 was approximately HK\$63,743,000, a decrease in loss of approximately HK\$717,000 or 1.1% as compared with loss of approximately HK\$64,460,000 for the previous year. The decrease in losses was attributable to i) the increase in cost incurred for marketing campaigns carried out during the year; ii) the decrease in finance costs and iii) the increase in other revenue arising from the imputed interest income on interest-free borrowings.

Financial Resources and Liquidity

As at 31 March 2010, the Group did not maintain sufficient liquid funds and had net current liabilities of approximately HK\$93,588,000 (2009: approximately HK\$128,317,000). As at 31 March 2010, cash and bank balances were approximately HK\$5,627,000 (2009: approximately HK\$235,000).

As at 31 March 2010, the Group's total loans and borrowings amounted to approximately HK\$369,745,000 (2009: approximately HK\$334,761,000). Among the total amounts of such loan and borrowings, approximately HK\$73,650,000 (2009: approximately HK\$97,349,000) was payable within one year and approximately HK\$296,095,000 (2009: approximately HK\$237,412,000) payable after one year.

As at 31 March 2010, total unutilized loan facilities from a third party amounted to approximately HK\$8,449,000 (2009: approximately HK\$14,750,000).

As at 31 March 2010, the Group recorded a total deficiency in capital of approximately HK\$386,418,000 (2009: approximately HK\$365,705,000).

截至二零一零年三月三十一日止年度，本公司股東應佔虧損約為港幣63,743,000元，虧損較去年約港幣64,460,000元之虧損下降約港幣717,000元或1.1%。虧損下降乃由於i)本年度進行之營銷活動所產生之成本增加；ii)財務成本減少及iii)免息借貸之推算利息收入產生之其他收入增加所致。

財務資源及流動資金

於二零一零年三月三十一日，本集團並無維持足夠流動資金，流動負債淨額約為港幣93,588,000元（二零零九年：約港幣128,317,000元）。於二零一零年三月三十一日，現金及銀行結餘約為港幣5,627,000元（二零零九年：約港幣235,000元）。

於二零一零年三月三十一日，本集團之貸款及借貸總額約港幣369,745,000元（二零零九年：約港幣334,761,000元）。在該等貸款及借款總額中有約港幣73,650,000元（二零零九年：約港幣97,349,000元）須於一年內償還及約港幣296,095,000元（二零零九年：約港幣237,412,000元）須於一年後償還。

於二零一零年三月三十一日，第三方之未動用貸款融資總額達約港幣8,449,000元（二零零九年：約港幣14,750,000元）。

於二零一零年三月三十一日，本集團錄得資本虧絀總額約港幣386,418,000元（二零零九年：約港幣365,705,000元）。

Management Discussion & Analysis

管理層討論及分析

Pledge of Assets

At 31 March 2010, no assets of the Group were pledged for loan facilities granted to the Group (2009: Nil).

Exposure to Fluctuation in Exchange Rates and Any Related Hedges

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

Contingent Liabilities

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

In July 2007, a licensee of SPNCL who acted as the defendant in a legal claim in relation to an action for copyright infringement issued a third party notice to SPNCL. The defendant claimed against SPNCL for indemnity against the plaintiff's claims and the cost of the action or contribution in respect of the plaintiff's claims. A defense was filed by the Group in March 2009 denying all allegations against the Group. Judgments have not been stated up to the date of this report. In the Directors' opinion, the liabilities are unlikely to crystallise and no provision had therefore been made in respect of the claim.

資產抵押

於二零一零年三月三十一日，本集團並無就本集團獲授之貸款信貸抵押任何資產（二零零九年：無）。

匯率波動之風險及任何有關對沖

本集團之交易貨幣為港幣。由於本集團之絕大多數營業額乃以港幣定值，本集團之交易外匯風險甚微。同時，本集團並無就外匯風險設立對沖政策。

或然負債

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

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

Management Discussion & Analysis

管理層討論及分析

Operating Lease Commitments

As at 31 March 2010, the total future minimum lease payments under operating leases are payable as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	4,975	6,145
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	4,571	2,966
		9,546	9,111

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

BUSINESS OUTLOOK

The management of the Company has a view to continue to focus on driving its core business forward. The Company has worked with other parties (including famous writers) to broaden its distribution network and to extend its market coverage. Pamphlets for special events (such as World Expo and World Cup), topics as well as extra editions for Friday Entertainment news have been launched since May of 2010.

經營租賃承擔

於二零一零年三月三十一日，根據經營租賃須支付之未來最低租賃付款總額如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	4,975	6,145
	4,571	2,966
	9,546	9,111

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

業務展望

本公司管理層銳意繼續專心致志，帶領其核心業務邁步向前。本公司一直與其他方（包括著名作家）合作，以擴闊其分銷網絡及拓展其市場範疇。為特別活動（如世界博覽會及世界盃）、專題而設之推廣冊子及星期五娛樂新聞號外版已自二零一零年五月推出。

Management Discussion & Analysis

管理層討論及分析

Pursuant to an agreement signed between the Group and China National Publications Import & Export Corporation, Shenzhen Branch ("CN Publication") on 17 May 2010, the Group would distribute and CN Publication agreed to import, transport and promote Sing Pao Daily in certain provinces in PRC, including Yunnan, Jianxi, Hunan and Fujian, etc with effect from May 2010, for a term of one year at the initial stage. Such move will help the Group to explore the enormous media market in PRC in the coming years.

On the other hand, to save the printing cost of newspapers and to capture the opportunities arising from the possible increasing in circulation and the demand for printing of other free newspapers, the Group is re-establishing its printing factory and will re-operate its printing machines from the third quarter of this year.

The Group has cautiously and continuously studied diversification opportunities to enable the highest possible leverage on its business. This will further enable the Group to maintain its operation efficiencies and to control its production costs, in order to sustain its financial conditions.

In all the time, the Group will continue to monitor and control its costs carefully in the coming years. Even so, the Group will never falter in its missions, to deliver truth and fair information with the highest standards of quality and professionalism to their readers and advertisers.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2010, the Group employed 187 (2009: 198) staffs who are normally situated in Hong Kong. Employee remuneration, including directors' remuneration, for the year ended 31 March 2010 was approximately HK\$34,257,000 (2009: approximately HK\$27,842,000). The remuneration packages of the Group's employees are rewarded on individual performance-related basis and by reference to the market conditions.

DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 March 2010 (2009: HK\$Nil).

根據本集團與中國圖書進出口深圳公司(「中國圖書」)於二零一零年五月十七日簽訂之協議，本集團將發行而中國圖書同意於中國若干省份(包括雲南省、江西省、湖南省及福建省等)進口、運輸及推廣成報，自二零一零年五月起生效，初步為期一年。有關舉措將有助本集團於未來開拓中國龐大之媒體市場。

另一方面，為節省報章之印刷成本、把握流通量可能增加而產生之機遇以及應付其他免費報章之印刷需求，本集團正重新建立其印刷廠房及將自本年度第三季起重新使用其印刷機器。

本集團已持續審慎研究多元發展之機遇，藉以充分發揮其業務。此舉可進一步讓本集團保持其營運效率並控制其生產成本，以維持其財務狀況。

本集團於未來一年將繼續時刻細心監察及控制其成本。儘管如此，本集團仍將堅守使命，為讀者及廣告商提供真實公平之資料，展現本集團最高水平之服務質素及專業精神。

僱員數目及薪酬政策

於二零一零年三月三十一日，本集團聘用187名(二零零九年：198名)僱員，彼等一般位於香港。包括董事薪酬，截至二零一零年三月三十一日止年度之僱員薪酬約為港幣34,257,000元(二零零九年：約港幣27,842,000元)。本集團僱員之薪酬組合會參考市場行情及個人表現檢討及釐定。

股息

董事不建議派發截至二零一零年三月三十一日止年度之末期股息(二零零九年：港幣零元)。

Directors' Report

董事會報告書

The Directors submit herewith their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company with its shares listed on the Growth Enterprise Market ("GEM") of the Hong Kong Stock Exchange Limited (the "Stock Exchange"). The principal activities of the Company's subsidiaries are set out in note 17 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2010 is set out in the consolidated statement of comprehensive income on page 37 of the annual report.

No interim dividend was paid by the Company during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2010.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in share capital and share options of the Company during the year are set out in notes 26 and 30 to the financial statements, respectively.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in note 27 to the financial statements and in the consolidated statement of changes in equity respectively.

董事現提呈彼等之報告書及本公司及本集團截至二零一零年三月三十一日止年度之經審核財務報表。

主要業務

本公司為一間投資控股公司，其股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。本公司附屬公司之主要業務載於財務報表附註17。

業績及股息

本集團截至二零一零年三月三十一日止年度之業績載於年報第37頁之綜合全面收益表。

年內本公司並無派發中期股息。董事不建議派付截至二零一零年三月三十一日止年度之末期股息。

股本及購股權

本公司股本及購股權於年內之變動詳情分別載於財務報表附註26及30。

儲備

本公司及本集團之儲備於年內之變動詳情分別載於財務報表附註27及綜合權益變動表。

Directors' Report

董事會報告書

PROPERTY PLANT AND EQUIPMENT AND LEASEHOLD LAND

Details of the movements in property, plant and equipment and leasehold land of the Group are set out in note 16 to the financial statements.

SUBSIDIARIES

Particulars of the subsidiaries of the Company are set out in note 17 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2010, the aggregate amount of revenue attributable to the Group's five largest customers represented less than 12.6% of the Group's total turnover. The purchases attributable to the Group's five largest suppliers and the largest supplier of the Group were approximately 54.5% and 47.6% of the Group's total purchase, respectively.

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

物業、廠房及設備及租賃土地

本集團之物業、廠房及設備及租賃土地之變動詳情載於財務報表附註16。

附屬公司

本公司附屬公司之詳情載於財務報表附註17。

主要客戶及供應商

截至二零一零年三月三十一日止年度，本集團五大客戶之收入總額佔本集團營業總額不足12.6%。本集團五大供應商及最大供應商之採購額分別佔本集團採購總額約54.5%及47.6%。

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

Directors' Report

董事會報告書

DIRECTORS

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

Executive Directors

Mr. QIN Hong	(removed on 4 September 2009)
Mr. WANG Fei	(removed on 4 September 2009)
Mr. WONG Yue Kwan, Alan	(appointed on 8 May 2008)
Mr. YU Wai Ying, Sammy	(appointed on 3 September 2008)
Mr. LAU Henry	(appointed on 4 September 2009)
Mr. WONG Ching Yip	(re-designated on 13 May 2010)
Mr. MA Shui Cheong	(appointed on 13 May 2010)

Non-Executive Directors

Mr. IP Wing Lun	(appointed on 10 August 2009)
Mr. WONG Chi Fai, Theodore	(appointed on 10 August 2009)

Independent Non-Executive Directors

Mr. JIANG Jin Sheng	(removed on 4 September 2009)
Mr. KONG Tze Wing Mr. HUNG Yat Ming Mr. PAN Chik	(appointed on 4 September 2009)
Mr. WONG Ka Chun, Carson	(appointed on 4 September 2009)

董事

於年內及截至本報告日期擔任本公司董事之人士如下：

執行董事

覃 宏先生	(於二零零九年 九月四日被罷免)
王 飛先生	(於二零零九年 九月四日被罷免)
王裕鈞先生	(於二零零八年 五月八日獲委任)
余懷英先生	(於二零零八年 九月三日獲委任)
劉瀚偉先生	(於二零零九年 九月四日獲委任)
王正曄先生	(於二零一零年 五月十三日獲調任)
馬瑞昌先生	(於二零一零年 五月十三日獲委任)

非執行董事

葉泳倫先生	(於二零零九年 八月十日獲委任)
黃志暉先生	(於二零零九年 八月十日獲委任)

獨立非執行董事

姜進生先生	(於二零零九年 九月四日被罷免)
江子榮先生 洪日明先生 潘 稷先生	(於二零零九年 九月四日獲委任)
黃家駿先生	(於二零零九年 九月四日獲委任)

Directors' Report

董事會報告書

DIRECTOR SERVICE CONTRACTS

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

董事服務合約

本公司所有於應屆股東週年大會上被提呈再次委任之董事，概無與本公司或其附屬子公司訂立並非由本集團決定之一年內終止服務時須作出賠償（除法定賠償以外）的服務合約。

董事於股份及相關股份之權益及淡倉

於二零一零年三月三十一日，董事及本公司主要行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊，或根據創業板上市規則第5.46條所載董事進行交易之規定標準須知會本公司及聯交所之任何權益及淡倉。

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

Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2010, the persons or corporations (not being a Directors or chief executive of the Company) who had interests or short positions (directly or indirectly) in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are substantial shareholders required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東

於二零一零年三月三十一日，根據證券及期貨條例第XV部第2及第3分部須向本公司披露及按照證券及期貨條例第336條存置所示為主要股東或已知會本公司，下列人士或公司（並非董事或本公司主要行政人員）擁有本公司股份或相關股份之權益或淡倉（直接或間接）如下：

Name of shareholders 股東名稱	Capacity 身份	Long (L)/ Short (S) position 好倉(L)/ 淡倉(S)	No. of shares of the Company held 持有本公司 股份數目	Approximate percentage of shareholding 概約持股 百分比
QIN Hui 覃輝	Held by controlled Corporation 受控制公司之權益	(S)	261,473,945 (Note 1)	13.40%
Strategic Media International Limited	Beneficial owner 實益擁有人	(S)	261,473,945 (Note 1)	13.40%
Strategic Media International Limited	實益擁有人	(S)	261,473,945 (附註1)	13.40%
YEUNG Ka Sing, Carson 楊家誠	Held by controlled Corporation 受控制公司之權益	(L)	281,567,905 (Note 2)	14.43%
YEUNG Ka Sing, Carson 楊家誠	受控制公司之權益	(L)	281,567,905 (附註2)	14.43%
Billion Wealth Group Limited	Beneficial owner 實益擁有人	(L)	281,567,905 (Note 2)	14.43%
Billion Wealth Group Limited	實益擁有人	(L)	281,567,905 (附註2)	14.43%

Directors' Report

董事會報告書

Notes:

1. Strategic Media International Limited ("SMIL") is wholly owned by Mr. QIN Hui. Pursuant to a share charge agreement dated 23 April 2008, entered into between Billion Wealth Group Limited ("Billion Wealth") and SMIL, these shares were pledged to Billion Wealth as security for Billion Wealth's loan facility of HK\$60,000,000 granted to the Group. On 12 May 2010, 261,473,945 ordinary shares were taken over by Billion Wealth.
2. 20,093,960 underlying shares are derived from the 1.5% HK\$1,004,698 convertible note issued by the Company to SMIL on 30 April 2005 for a term of 2 years convertible into shares at the conversion price of HK\$0.05 per share. On 23 April 2008, SMIL assigned its interest on the convertible note to Billion Wealth, which is wholly owned by Mr. YEUNG Ka Sing, Carson.

261,473,945 underlying shares are shares held by SMIL but pledged to Billion Wealth as security for Billion Wealth's loan facility of HK\$60,000,000 granted to the Group according to the share charge agreement entered into between SMIL and Billion Wealth on 23 April 2009 as mentioned in Note 1 above.

Save as disclosed above, as at 31 March 2010, the Directors are not aware of any other person or corporation having an interest or short position in the shares and underlying Shares of the Company that was required to be recorded in the register under Section 336 of the SFO.

DIRECTORS' INTEREST IN CONTRACT

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, which directly or indirectly, subsisted at 31 March 2010 or any time during the year.

附註:

1. Strategic Media International Limited ("SMIL") 由覃輝先生全資擁有。根據 Billion Wealth Group Limited ("Billion Wealth") 與 SMIL 於二零零八年四月二十三日訂立之股份抵押協議，該等股份已抵押予 Billion Wealth，作為 Billion Wealth 授予本集團之港幣 60,000,000 元貸款信貸之擔保。於二零一零年五月十二日，Billion Wealth 接管該 261,473,945 股普通股。
2. 此等 20,093,960 股相關股份乃衍生自本公司於二零零五年四月三十日向 SMIL 發出為期兩年的 1.5% 港幣 1,004,698 元可以換股價每股港幣 0.05 元換取股份的可換股票據。於二零零八年四月二十三日，SMIL 已將其於可換股票據之權益轉讓予 Billion Wealth (該公司由楊家誠先生全資擁有)。

如上文附註 1 所提述，此等 261,473,945 股相關股份乃由 SMIL 所持有，但根據 SMIL 與 Billion Wealth 於二零零九年四月二十三日訂立之股份抵押協議，已抵押予 Billion Wealth，作為 Billion Wealth 授予本集團之港幣 60,000,000 元貸款信貸之擔保。

除上文所披露者外，於二零一零年三月三十一日，就董事所知悉，概無任何其他人士或公司於須根據證券及期貨條例第 336 條之登記冊須予記錄之本公司股份及相關股份中擁有權益或淡倉。

董事於合約之權益

本公司或其任何附屬公司概無訂立本公司董事直接或間接擁有重大權益並於二零一零年三月三十一日或年內任何時間仍然有效之重要合約。

Directors' Report

董事會報告書

COMPETING INTERESTS

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

CONVERTIBLE NOTE

Details of convertible note of the Group are set out in note 25 to the financial statements.

BOARD PRACTICES AND PROCEDURES

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

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

PURCHASE, SALE AND REDEMPTION OF LISTING SECURITIES

The Company has not redeemed any of its shares during the year ended 31 March 2010. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 March 2010 (2009: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set forth on page 132 of this annual report.

構成競爭之權益

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

可換股票據

本集團之可換股票據詳列於財務報表附註25。

董事會之常規及程式

年內，本公司一直遵守創業板上市規則第5.34條有關董事會之常規及程式。

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

購入、出售及贖回上市證券

於截至二零一零年三月三十一日止年度內，本公司並無贖回任何其股份。於截至二零一零年三月三十一日止年度內，本公司或其任何附屬公司並無購買或出售任何本公司之股份（二零零九年：無）。

五年財務摘要

本集團於過去五個財政年度之資產及負債摘要詳列於本年報之132頁。

Directors' Report

董事會報告書

AUDIT COMMITTEE

An Audit Committee was established to review the Group's financial reporting, internal controls, and corporate governance and risk management matters and to make relevant recommendation to the Board. The Audit Committee comprises all of the Independent Non-Executive Directors, namely, Mr. HUNG Yat Ming (as the chairman of the Audit Committee), Mr. KONG Tze Wing, Mr. PAN Chik and Mr. WONG Ka Chun, Carson.

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

The Group's annual results for the year ended 31 March 2010 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the financial statements of the Company and the Group for the year ended 31 March 2010 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float throughout the year ended 31 March 2010.

PRE-EMPTIVE RIGHTS

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

審核委員會

審核委員會成立以審閱本集團之財務報告、內部監控及企業管治及風險管理事項，並向董事會作出相關之建議。審核委員會包括所有獨立非執行董事，即洪日明先生（為審核委員會主席）、江子榮先生、潘稷先生及黃家駿先生。

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

本集團截至二零一零年三月三十一日止年度之年度業績已由審核委員會審閱。審核委員會認為，本公司及本集團截至二零一零年三月三十一日止年度之財務報表已遵守適當之會計準則、創業板上市規則及已作出適當之披露。

足夠公眾持股量

本公司於截至二零一零年三月三十一日止整個年度內均維持足夠之公眾持股量。

優先購股權

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

Directors' Report

董事會報告書

POST BALANCE SHEET EVENTS

Details of the significant subsequent events are set out in note 35 to the financial statements.

AUDITOR

The financial statements were audited by BDO Limited.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. BDO Limited as auditor of the Company.

On behalf of the Board

SMI Publishing Group Limited

MA Shui Cheong

Managing Director

Hong Kong, 21 June 2010

結算日後事項

結算日後之重大事項詳列於財務報表附註35。

核數師

財務報表經由香港立信德豪會計師事務所有限公司審核。

本公司將於本公司應屆股東週年大會上提呈一項決議案，續聘香港立信德豪會計師事務所有限公司為本公司核數師。

代表董事會

星美出版集團有限公司

馬瑞昌

董事總經理

香港，二零一零年六月二十一日

Corporate Governance Report

企業管治報告

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

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

遵守企業管治常規守則

During the year ended 31 March 2010, the Company was in compliance with the code provisions as set out in Appendix 15: "The Code on Corporate Governance Practices" (the "CG Code") of the GEM Listing Rules, except for the following:

於截至二零一零年三月三十一日止年度，本公司已遵守創業板上市規則附錄15「企業管治常規守則」（「企業管治常規守則」）之守則條文，惟下文所列者除外：

1. Due to practical reasons, 14 days' advanced notifications have not been given to all meetings of the board of Directors of the Company (the "Board"). Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavors to give 14 days' advanced notifications of board meeting to the extent practicable (Code Provisions A.1.3);
1. 基於實際理由，未能就所有本公司董事會（「董事會」）會議給予十四天之提前知會。在十四天之提前知會並不可行之情況下，已於有關董事會會議知會提供理由。董事會將竭盡所能就董事會會議給予十四天提前知會（守則條文A.1.3條）；
2. The Board has engaged an independent consultant to conduct a review of the internal control system of the Group and to assist the Group to design appropriate internal control policies and procedures with a view to ensure compliance of the GEM Listing Rules as well as the Principles and Code Provision (Code Provision C.2.1);
2. 董事會已聘請獨立顧問公司對本集團內部監控制度進行審閱，協助本集團規劃合適之內部監控政策及程序，確保本集團遵守創業板上市規則以及原則和守則條文（守則條文C.2.1條）；
3. Non-executive Directors were not appointed for a specific term but were subject to retirement at the first general meeting after their appointment and thereafter to retirement by rotation at least once every three years and in accordance with the Articles (Code Provision A.4.1); and
3. 非執行董事並非按指定任期獲委任，但須於其獲委任後召開之首次股東大會上告退，其後根據組織章程細則須每三年至少輪值告退一次（守則條文A.4.1條）；及
4. No nomination committee was established to review the structure, size and composition of the Board on a regular basis (Code Provision A.4.4).
4. 並無設立提名委員會以定期檢討董事會架構、規模及組合（守則條文A.4.4條）。

Corporate Governance Report

企業管治報告

Save as those mentioned above, in the opinion of the Directors, the Company has met with the code provisions as set out in the CG Code during the year ended 31 March 2010.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by Directors as set out in Rules 5.48 to 5.69 of the GEM Listing Rules. All of the Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules during the year ended 31 March 2010.

BOARD OF DIRECTORS

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

The Board currently consists of eleven Directors including five Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors:

Executive Directors

Mr. YU Wai Ying, Sammy
Mr. WONG Yue Kwan, Alan
Mr. LAU Henry
Mr. WONG Ching Yip
Mr. MA Shui Cheong

除上文所述者外，董事認為本公司於截至二零一零年三月三十一日止年度一直遵守企業管治常規守則所載之守則條文。

董事買賣證券交易

本公司已採納創業板上市規則第5.48至5.69條所載董事進行證券交易之規定標準。全體董事均已確認，彼等於截至二零一零年三月三十一日止年度內一直遵守創業板上市規則所載之規定標準。

董事會

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

董事會現時由十一名董事組成，包括五名執行董事、兩名非執行董事及四名獨立非執行董事：

執行董事

余懷英先生
王裕鈞先生
劉瀚偉先生
王正曄先生
馬瑞昌先生

Corporate Governance Report

企業管治報告

Non-Executive Directors

Mr. IP Wing Lun
Mr. WONG Chi Fai, Theodore

Independent Non-Executive Directors

Mr. KONG Tze Wing
Mr. HUNG Yat Ming
Mr. PAN Chik
Mr. WONG Ka Chun, Carson

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

Chairman and Chief Executive Officer

Ms. YIP Rossetti was appointed as the chief executive officer of the Company upon Mr. YU Wai Ying, Sammy's resignation on 29 September 2009.

Mr. QIN Hong had been the chairman of the Company till 4 September 2009, the date on which he was removed by the Board. No other individual has been appointed as chairman of the Company to take up the vacancy up to the date of this report.

非執行董事

葉泳倫先生
黃志暉先生

獨立非執行董事

江子榮先生
洪日明先生
潘 稷先生
黃家駿先生

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

主席及行政總裁

於余懷英先生在二零零九年九月二十九日辭任後，葉玲女士獲委任為本公司之行政總裁。

覃宏先生過去一直為本公司主席，直至彼於二零零九年九月四日被董事會罷免為止。直至本報告日期，並無其他人士獲委任為本公司主席以填補該空缺。

Corporate Governance Report

企業管治報告

Independent Non-Executive Directors

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

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

Board Meetings

There were total of 15 Board meetings held during the year. Attendance of individual Directors at Board meetings held during the year is as follows:

Name of Director	董事姓名	Number of attendance 出席次數
Mr. QIN Hong (Note 1)	覃 宏先生 (附註1)	0/7
Mr. WANG Fei (Note 2)	王 飛先生 (附註2)	0/7
Mr. JIANG Jin Sheng (Note 3)	姜進生先生 (附註3)	0/7
Mr. KONG Tze Wing	江子榮先生	14/15
Mr. WONG Yue Kwan, Alan	王裕均先生	15/15
Mr. YU Wai Ying, Sammy	余懷英先生	9/15
Mr. WONG Ching Yip (Note 4)	王正曄先生 (附註4)	14/15
Mr. HUNG Yat Ming	洪日明先生	13/15
Mr. IP Wing Lun (Note 5)	葉泳倫先生 (附註5)	9/11
Mr. WONG Chi Fai, Theodore (Note 5)	黃志暉先生 (附註5)	7/11
Mr. PAN Chik (Note 6)	潘 稷先生 (附註6)	8/10
Mr. WONG Ka Chun, Carson (Note 6)	黃家駿先生 (附註6)	9/10
Mr. LAU Henry (Note 7)	劉瀚偉先生 (附註7)	10/10
Mr. MA Shui Cheong (Note 8)	馬瑞昌先生 (附註8)	0/0

獨立非執行董事

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

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

董事會會議

董事會於年內曾舉行共15次會議。個別董事於年內出席會議如下：

Corporate Governance Report

企業管治報告

Notes:

1. Mr. QIN Hong was removed as Chairman and Executive Director of the Company on 4 September 2009.
2. Mr. WANG Fei was removed as Executive Director of the Company on 4 September 2009.
3. Mr. JIANG Jin Sheng was removed as Independent Non-Executive Director of the Company on 4 September 2009.
4. Mr. WONG Ching Yip was appointed as Independent Non-Executive Directors of the Company on 3 September 2008 and re-designated as Executive Director of the Company on 13 May 2010.
5. Mr. IP Wing Lun and Mr. WONG Chi Fai, Theodore were appointed as Non-Executive Directors on 10 August 2009.
6. Mr. PAN Chik and Mr. WONG Ka Chun, Carson were appointed as Independent Non-Executive Directors on 4 September 2009.
7. Mr. LAU Henry was appointed as Executive Director on 4 September 2009.
8. Mr. MA Shui Cheong was appointed as Executive Director of the Company on 13 May 2010.

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

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

附註：

1. 覃宏先生於二零零九年九月四日被罷免本公司之主席及執行董事。
2. 王飛先生於二零零九年九月四日被罷免本公司之執行董事。
3. 姜進生先生於二零零九年九月四日被罷免本公司之獨立非執行董事。
4. 王正曄先生於二零零八年九月三日獲委任為本公司之獨立非執行董事及於二零一零年五月十三日被調任為本公司之執行董事。
5. 葉泳倫先生及黃志暉先生於二零零九年八月十日獲委任為非執行董事。
6. 潘稷先生及黃家駿先生於二零零九年九月四日獲委任為獨立非執行董事。
7. 劉瀚偉先生於二零零九年九月四日獲委任為執行董事。
8. 馬瑞昌先生於二零一零年五月十三日獲委任為本公司之執行董事。

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

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

Corporate Governance Report

企業管治報告

INTERNAL CONTROL

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

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

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

內部監管

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

有關處理及發放股價敏感資料之程序及內部監控：

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

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) with written terms of reference in compliance with Rule 5.28 and 5.33 of the GEM Listing Rules. The duties of the Audit Committee include reviewing the Company’s annual reports and quarterly financial reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company’s financial reporting and internal control procedures.

The Audit Committee comprises four independent non-executive directors, namely Mr. KONG Tze Wing, Mr. HUNG Yat Ming, Mr. WONG Ka Chun, Carson and Mr. PAN Chik. Mr. WONG Ka Chun, Carson and Mr. PAN Chik were appointed on 4 September 2009. Mr. JIANG Jin Sheng was removed on 4 September 2009. Mr. WONG Ching Yip was re-designated to executive director on 13 May 2010.

The Group’s audited annual results for the year ended 31 March 2010 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that the adequate disclosures have been made.

Three meetings were held during the year ended 31 March 2010. Attendance of the members is set out below:

Audit Committee Member 審核委員會成員

Mr. JIANG Jin Sheng (Note 1)
Mr. KONG Tze Wing
Mr. HUNG Yat Ming
Mr. WONG Ching Yip (Note 2)
Mr. PAN Chik (Note 3)
Mr. WONG Ka Chun, Carson (Note 3)

審核委員會

本公司已成立審核委員會（「審核委員會」），並按創業板上市規則第5.28及5.33條以書面列明其職責範圍。審核委員會職責包括審閱本公司年報及季度財務報告，並就此向董事會提出建議及意見。審核委員會亦負責檢討並監督本公司財務報告及內部監控程序。

審核委員會由四名獨立非執行董事組成，分別為江子榮先生、洪日明先生、黃家駿先生及潘稷先生。黃家駿先生及潘稷先生已於二零零九年九月四日獲委任。姜進生先生於二零零九年九月四日被罷免。王正曄先生於二零一零年五月十三日調任為執行董事。

本集團截至二零一零年三月三十一日止年度之已審核全年業績已經由審核委員會審閱。審核委員會認為，該等業績之編製符合適用之會計準則及規定，並已作出適當之披露。

截至二零一零年三月三十一日止年度曾舉行三次會議。各成員之出席率載列如下：

Number of attendance 出席次數

姜進生先生 (附註1) 0/3
江子榮先生 3/3
洪日明先生 3/3
王正曄先生 (附註2) 3/3
潘 稷先生 (附註3) 2/3
黃家駿先生 (附註3) 3/3

Corporate Governance Report

企業管治報告

Note:

1. Mr. JIANG Jin Sheng was removed as Independent Non-Executive Director of the Company on 4 September 2009.
2. Mr. WONG Ching Yip was re-designated as Executive Director on 13 May 2010.
3. Mr. PAN Chik and Mr. WONG Ka Chun, Carson were appointed as Independent Non-Executive Director on 4 September 2009.

NOMINATION OF DIRECTORS

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

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

REMUNERATION OF DIRECTORS

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

The Remuneration Committee is mainly responsible for making recommendations to the Board on the remuneration system of the Company with written terms of reference. The Remuneration Committee currently comprises four Independent Non-Executive Directors, namely, Mr. HUNG Yat Ming (as the chairman of the Remuneration Committee), Mr. KONG Tze Wing, Mr. PAN Chik and Mr. WONG Ka Chun, Carson.

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

附註：

1. 姜進生先生於二零零九年九月四日被罷免本公司之獨立非執行董事。
2. 王正曄先生於二零一零年五月十三日被調任為執行董事。
3. 潘稷先生及黃家駿先生於二零零九年九月四日獲委任為獨立非執行董事。

提名董事

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

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

董事酬金

本公司於二零零五年七月二十七日成立薪酬委員會（「薪酬委員會」）。

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

於回顧年度，薪酬委員會沒有召開任何會議。

Corporate Governance Report

企業管治報告

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

Details of the share option scheme are set out in note 30 to the financial statements. Details of the Directors' remuneration are set out in note 12 to the financial statements.

AUDITOR'S REMUNERATION

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

Services rendered	所提供服務	Fee paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services	審計服務	850
Non-audit services	非審計服務	80

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

The Directors' responsibilities in preparing financial statements and the auditor's responsibilities are set out in the Auditor's Report on pages 33 to 36 of this annual report.

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

有關購股權計劃之詳情載於財務報表附註30。有關董事酬金之詳情載於財務報表附註12。

核數師酬金

於回顧年度，有關本公司核數師所提供之審核服務及非審核服務之酬金載列如下：

董事對財務報表之責任

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

董事於編製財務報表之責任及核數師之責任分別載列於本年報第33頁至36頁之核數師報告書中。

Independent Auditor's Report

獨立核數師報告



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

(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of SMI Publishing Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 131, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

致星美出版集團有限公司全體股東之 獨立核數師報告書

(於開曼群島註冊成立之有限公司)

本行獲委聘以審核載於第37頁至第131頁之星美出版集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此綜合財務報表包括於二零一零年三月三十一日之綜合財務狀況表及公司財務狀況表及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表、以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製及真實而公允地列報該等財務報表。責任包括設計、實施及維護與編製及真實而公允地列報財務報表相關之內部控制,以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述;選擇和應用適當之會計政策;及按情況下作出合理之會計估計。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY

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

Except for the limitations in the scope of our work as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

(1) Scope limitation – borrowings under dispute

Included in the borrowings of the Group and of the Company as at 31 March 2010 are borrowings of approximately HK\$23,090,000 and HK\$13,691,000 respectively due to several parties. Included in the finance costs in the statements of comprehensive income of the Group and the Company for the year ended 31 March 2010 are accrued interest expenses of approximately HK\$277,000 and HK\$219,000, respectively based on the amounts due and the applicable interest rates. However, as further detailed in Note 24(b) to the financial statements, the Group is in dispute with these parties over these balances. We were unable either to obtain direct confirmations from these parties or other supporting evidence to satisfy ourselves as to whether the borrowings and interest expenses are free from material misstatement. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to whether the borrowings and interest expenses were fairly stated, which would have a consequential significant effect on net current liabilities and net liabilities of the Group and the Company as at 31 March 2010, their losses for the year then ended and the related disclosures in the financial statements.

核數師之責任

本行之責任是根據本行審核工作之結果，對該等財務報表表達意見，並僅向股東作為團體作出報告，而非作為任何其他用途。本行概不就本報告之內容對任何其他人士承擔責任或接受責任。

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

拒絕發表意見聲明之基礎

(1) 範圍限制－產生糾紛之借貸

包括在 貴集團及 貴公司於二零一零年三月三十一日之借貸分別約港幣23,090,000元及港幣13,691,000元為與數個對約方有關。根據應付款項及適用利率計算之應計利息開支分別約為港幣277,000元及港幣219,000元，計入 貴集團及 貴公司截至二零一零年三月三十一日止年度之全面收益表之財務成本內。然而，誠如財務報表附註24(b)中進一步詳列， 貴集團就該等結餘與該等對約方產生糾紛。本行未能就該等借貸及利息開支是否並無重大錯誤陳述而獲得該等對約方之直接證實或是令本行滿意之其他佐證。本行概無任何其他令本行滿意之審核程序可採納，以致可信納是否公平載列該等借貸及利息開支，而據此會對 貴集團及 貴公司於二零一零年三月三十一日之流動負債淨額及負債淨額、截至該日止之年度虧損及於財務報表中之有關披露造成重大影響。

Independent Auditor's Report

獨立核數師報告

(2) Material uncertainties relating to going concern basis

As further explained in Note 2 to the financial statements, the directors planned to adopt certain proposed measures (the "Measures") with the view to improve the Group's financial and cash flow position and to maintain the Group as a going concern. The directors are of the opinion that the Measures will be successfully implemented.

The Group had net current liabilities of approximately HK\$93,588,000 and net liabilities of approximately HK\$386,418,000 as at 31 March 2010, which indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Company had net current liabilities of approximately HK\$71,026,000 and net liabilities of approximately HK\$323,925,000 as at 31 March 2010, which indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of the Measures. In the opinion of the directors, if the Measures are not successfully implemented, the Group and the Company would not be a going concern as at the end of reporting date.

The material uncertainty with regard to whether or not the Measures are successfully implemented is so fundamental that it casts significant doubt about the ability of the Group to continue as a going concern. Our opinion is qualified in this respect.

Should the going concern assumption be inappropriate, adjustments might have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

(2) 有關持續經營基準之重大不明朗因素

誠如財務報表附註2進一步所述，董事已計劃採取建議措施（「該等措施」）以改善 貴集團之財務及現金流量狀況，以及維持 貴集團之持續經營狀況。董事認為該等措施將會成功落實。

貴集團於二零一零年三月三十一日之流動負債淨額約為港幣93,588,000元而負債淨額約為港幣386,418,000元，該等情況都顯示有重大不明朗因素，可能導致對 貴集團之持續經營能力存在相當的疑問。 貴公司於二零一零年三月三十一日之流動負債淨額約為港幣71,026,000元而負債淨額約為港幣323,925,000元，該等情況都顯示有重大不明朗因素，可能導致對 貴公司之持續經營能力存在相當的疑問。該等財務報表乃以持續經營基準編製，其有效與否須視乎該等措施之成功落實而定。董事認為，倘該等措施未成功落實，則 貴集團及 貴公司將不會於報告日期結束後能持續經營。

有關該等措施能否成功落實之重大不明朗因素令 貴集團持續經營之能力產生重大疑問。本行就此方面發出保留意見。

倘持續經營假設為不適當，則可能會作出調整將資產價值調減至其可收回金額、就可能產生之任何額外負債作出撥備，並將非流動資產及負債分別重新分類為流動資產及負債。

Independent Auditor's Report

獨立核數師報告

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 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 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards, and as to whether these financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

Choi Man On

Practising Certificate number P02410

Hong Kong, 21 June 2010

拒絕發表意見：對財務報表之見解 拒絕發表意見

由於保留意見基準段落所述之事項關係重大，本行未能就財務報表是否按香港財務報告準則真實及公平地反映貴集團及貴公司於二零一零年三月三十一日之財務狀況及貴集團截至該日止年度之虧損及現金流量，以及該等財務報表是否已按照香港公司條例之披露規定而妥善編製而發表意見。

香港立信德豪會計師事務所有限公司

執業會計師

蔡文安

執業證書編號P02410

香港，二零一零年六月二十一日

Consolidated Statement of Comprehensive Income For the year ended 31 March 2010

綜合全面收益表 截至二零一零年三月三十一日止年度

			2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
		Notes 附註		
Turnover	營業額	7	35,108	31,490
Cost of sales	銷售成本		(55,060)	(51,281)
Gross loss	虧損毛額		(19,952)	(19,791)
Other revenue and other net gains	其他收入及其他淨收益	8	8,401	2,334
Distribution costs	發行成本		(10,788)	(518)
Administrative and other operating expenses	行政及其他營運開支		(23,022)	(22,791)
Loss from operations	經營虧損		(45,361)	(40,766)
Finance costs	財務成本	9	(20,721)	(25,274)
Loss before income tax	除所得稅前虧損	10	(66,082)	(66,040)
Income tax	所得稅	11	2,339	1,580
Loss for the year	年度虧損		(63,743)	(64,460)
Other comprehensive income	其他全面收入		-	-
Total comprehensive income for the year	年度全面收入總額		(63,743)	(64,460)
Loss for the year and total comprehensive income for the year attributable to owners of the Company	年度虧損及本公司擁有人應佔年度全面收入總額	14	(63,743)	(64,460)
Dividend	股息		-	-
Loss per share Basic and diluted	每股虧損 基本及攤薄	15	(5.03 cents仙)	(6.50 cents仙)

Consolidated Statement of Financial Position As at 31 March 2010

綜合財務狀況表 於二零一零年三月三十一日

			2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16(a)	3,162	2,257
Leasehold land	租賃土地	16(b)	112	115
Interest in an associate	於一間聯營公司權益	18	–	–
			3,274	2,372
Current assets	流動資產			
Inventories	存貨	19(a)	–	–
Trade and other receivables	貿易及其他應收款項	20	8,623	7,840
Cash and cash equivalents	現金及現金等值項目	21	5,627	235
			14,250	8,075
Current liabilities	流動負債			
Borrowings	借貸	24(a)	71,736	60,218
Convertible note	可換股票據	25	1,914	37,131
Trade and other payables	貿易及其他應付款項	22	22,098	26,769
Taxation	稅項	23(a)	12,090	12,274
			(107,838)	(136,392)
Net current liabilities	流動負債淨額		(93,588)	(128,317)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		(90,314)	(125,945)
Non-current liabilities	非流動負債			
Borrowings	借貸	24(a)	296,095	237,412
Deferred tax liabilities	遞延稅項負債	23(b)	9	2,348
			(296,104)	(239,760)
NET LIABILITIES	負債淨額		(386,418)	(365,705)

Consolidated Statement of Financial Position As at 31 March 2010

綜合財務狀況表 於二零一零年三月三十一日

			2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
		<i>Notes</i> 附註		
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26	97,584	49,584
Reserves	儲備		(484,002)	(415,289)
CAPITAL DEFICIENCY	資本虧絀		(386,418)	(365,705)

Approved and authorised for issue by the Board on 21 June 2010. 於二零一零年六月二十一日獲董事會批准及授權刊發。

MA Shui Cheong

馬瑞昌

Director

董事

WONG Ching Yip

王正暉

Director

董事

Statement of Financial Position As at 31 March 2010

財務狀況表 於二零一零年三月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司權益	17	–	–
Current assets	流動資產			
Other receivables	其他應收款項	20	552	–
Cash and cash equivalents	現金及現金等值項目	21	–	15
			552	15
Current liabilities	流動負債			
Borrowings	借貸	24(a)	62,692	50,925
Convertible note	可換股票據	25	1,914	37,131
Other payables	其他應付款項	22	5,153	4,025
Amounts due to subsidiaries	應付附屬公司款項	17	1,819	–
Taxation	稅項	23(a)	–	184
			(71,578)	(92,265)
Net current liabilities	流動負債淨額		(71,026)	(92,250)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		(71,026)	(92,250)
Non-current liabilities	非流動負債			
Borrowings	借貸	24(a)	252,890	195,725
Deferred tax liabilities	遞延稅項負債	23(b)	9	2,348
			(252,899)	(198,073)
NET LIABILITIES	負債淨額		(323,925)	(290,323)
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26	97,584	49,584
Reserves	儲備	27(b)	(421,509)	(339,907)
DEFICIENCY IN CAPITAL	資本虧絀		(323,925)	(290,323)

Approved and authorised for issue by the Board on 21 June 2010.

於二零一零年六月二十一日獲董事會批准及授權刊發。

MA Shui Cheong
馬瑞昌
Director
董事

WONG Ching Yip
王正暉
Director
董事

Consolidated Statement of Changes in Equity For the year ended 31 March 2010

綜合權益變動表 截至二零一零年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Convertible note equity reserve	Shareholders' contribution	Merger reserve	Exchange reserve	Distributable reserve	Accumulated losses	Total
		股本	股份溢價	可換股票據權益儲備	股東出資	合併儲備	匯兌儲備	分派儲備	累積虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 31 March 2008 and at 1 April 2008	於二零零八年三月三十一日 及於二零零八年四月一日	49,584	127,764	18,520	72,894	121,914	43	231,340	(923,304)	(301,245)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	-	-	(64,460)	(64,460)
Deconsolidation of subsidiaries	終止綜合附屬公司賬目	-	-	-	-	(121,914)	-	-	121,914	-
At 31 March 2009 and at 1 April 2009	於二零零九年三月三十一日 及於二零零九年四月一日	49,584	127,764	18,520	72,894	-	43	231,340	(865,850)	(365,705)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	-	-	(63,743)	(63,743)
Conversion of convertible note	轉換可換股票據	48,000	12,809	(17,779)	-	-	-	-	-	43,030
At 31 March 2010	於二零一零年三月三十一日	97,584	140,573	741	72,894	-	43	231,340	(929,593)	(386,418)

Consolidated Statement of Cash Flows For the year ended 31 March 2010

綜合現金流量表 截至二零一零年三月三十一日止年度

	Notes 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營業務		
Loss before income tax	除所得稅前虧損	(66,082)	(66,040)
Adjustments for:	調整:		
Depreciation	折舊	1,202	1,468
Amortisation of land lease premium	租賃土地地價攤銷	3	2
Finance costs	財務成本	20,721	25,274
Provision for/(reversal of) impairment loss on trade receivables	貿易應收款項減值虧損撥備/(撥回)	278	(574)
Imputed interest income on other borrowings	其他借貸之推算利息收入	(6,000)	-
Reversal of other payables	其他應付款項之撥回	(850)	(1,068)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(6)	-
Impairment on property, plant and equipment	物業、廠房及設備之減值	-	1,140
Write down of inventories	撇減存貨	-	297
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	營運資金改動前之經營虧損	(50,734)	(39,501)
Decrease in inventories	存貨減少	-	99
Increase in trade and other receivables	貿易及其他應收款項增加	(1,061)	(1,474)
Decrease in trade and other payables	貿易及其他應付款項減少	(3,821)	(5,528)
CASH USED IN OPERATIONS	業務所耗用之現金	(55,616)	(46,404)
Interest paid	已付利息	(121)	(2,520)
Tax paid	已付稅項	(184)	-
NET CASH USED IN OPERATING ACTIVITIES	經營活動所耗用之現金淨額	(55,921)	(48,924)
INVESTING ACTIVITIES	投資業務		
Payment for the purchase of property, plant and equipment	購入物業、廠房及設備之付款	(2,107)	(320)
Proceed for disposal of property, plant and equipment	出售物業、廠房及設備所得款項	6	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動耗用之現金淨額	(2,101)	(320)

Consolidated Statement of Cash Flows For the year ended 31 March 2010

綜合現金流量表 截至二零一零年三月三十一日止年度

		2010 二零一零年	2009 二零零九年
		<i>HK\$'000</i> 港幣千元	<i>HK\$'000</i> 港幣千元
		<i>Notes</i> 附註	
FINANCING ACTIVITIES	融資業務		
Increase in other borrowings	其他借貸增加	67,903	75,194
Repayment of other borrowings	償還其他借貸	(4,489)	(26,280)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資業務產生之現金淨額	63,414	48,914
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加／(減少)	5,392	(330)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	於年初之現金及現金等值項目	235	565
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年末之現金及現金等值項目	5,627	235
		21	

1. GENERAL INFORMATION

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

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

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the publication of newspapers, magazines and books.

At 31 March 2010, the directors consider Strategic Media International Limited ("Strategic Media"), which is incorporated in the British Virgin Islands is the ultimate holding company and a substantial shareholder of the Company.

2. BASIS OF PRESENTATION

The Group sustained consolidated loss for the year and total comprehensive income for the year attributable to owners of the Company of approximately HK\$63,743,000 (2009: approximately HK\$64,460,000) for the year ended 31 March 2010. At 31 March 2010, the Group had consolidated net current liabilities and net liabilities of approximately HK\$93,588,000 (2009: approximately HK\$128,317,000) and approximately HK\$386,418,000 (2009: approximately HK\$365,705,000), respectively.

1. 一般資料

星美出版集團有限公司(「本公司」)為於開曼群島註冊成立之上市有限公司，其股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司的註冊辦公室及主要營業地點的地址於年報中公司資料一節披露。

綜合財務報表以本公司之功能貨幣港幣呈列。

本公司及其附屬公司(統稱「本集團」)之主要業務為出版報章、雜誌及書籍。

於二零一零年三月三十一日，董事認為於英屬處女群島註冊成立之Strategic Media International Limited(「Strategic Media」)為本公司之最終控股公司及主要股東。

2. 呈列基準

截至二零一零年三月三十一日止年度，本集團錄得年度綜合虧損及本公司擁有人應佔年度全面收入總額約港幣63,743,000元(二零零九年：約港幣64,460,000元)。於二零一零年三月三十一日，本集團之綜合流動負債淨額及負債淨額分別約為港幣93,588,000元(二零零九年：約港幣128,317,000元)及約港幣386,418,000元(二零零九年：約港幣365,705,000元)。

2. BASIS OF PRESENTATION (Continued)

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

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

- (a) the directors plan to seek financial support from Billion Wealth (as defined in Note 24(a)(iii)) to provide adequate funds for the Group to meet its liabilities as they fall due, both present and future;
- (b) the directors have identified and have been negotiating with Billion Wealth for proposed capital injection arrangements; and
- (c) the directors have adopted various cost control measures to reduce general administrative expenses and operating costs.

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

2. 呈列基準 (續)

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

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

- (a) 董事計劃向Billion Wealth (定義見附註24(a)(iii))尋求財務支持，提供充足之資金予本集團以應付其於現在及未來到期之負債；
- (b) 董事已識別及與Billion Wealth協商任何建議之注資安排；及
- (c) 董事已採取多項成本控制措施以減少一般行政開支及營運成本。

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

2. BASIS OF PRESENTATION (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has adopted the following new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the current accounting period:-

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs

2. 呈列基準 (續)

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

3. 採納香港財務報告準則（「香港財務報告準則」）

本集團已採納以下由香港會計師公會（「香港會計師公會」）頒佈並於本會計期間生效之新訂／經修訂香港財務報告準則：

香港財務報告準則 (修訂本)	於二零零八年頒佈對香港財務報告準則之改進，於二零零九年七月一日或以後開始之年度期間生效之對香港財務報告準則第5號之修訂除外
香港財務報告準則 (修訂本)	於二零零九年頒佈就修訂香港會計準則第39號第80段而對香港財務報告準則之改進
香港會計準則第1號 (經修訂)	財務報表之呈列
香港會計準則第23號 (經修訂)	借貸成本

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation	香港會計準則第32號及第1號 (修訂本)	可沽售金融工具及清盤產生之責任
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	香港財務報告準則第1號及香港會計準則第27號 (修訂本)	於一間附屬公司、共同控制實體或聯營公司之投資之成本
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations	香港財務報告準則第2號 (修訂本)	歸屬條款及取消
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments	香港財務報告準則第7號 (修訂本)	金融工具披露之改進
HKFRS 8	Operating Segments	香港財務報告準則第8號	經營分部
HK(IFRIC) – Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives	香港 (國際財務報告詮釋委員會) – 詮釋第9號及香港會計準則第39號 (修訂本)	內含衍生工具
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes	香港 (國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate	香港 (國際財務報告詮釋委員會) – 詮釋第15號	房地產建築協議
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation	香港 (國際財務報告詮釋委員會) – 詮釋第16號	海外業務投資淨額對沖
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers	香港 (國際財務報告詮釋委員會) – 詮釋第18號	自客戶轉讓資產

3. 採納香港財務報告準則 (「香港財務報告準則」) (續)

香港會計準則第32號及第1號 (修訂本)	可沽售金融工具及清盤產生之責任
香港財務報告準則第1號及香港會計準則第27號 (修訂本)	於一間附屬公司、共同控制實體或聯營公司之投資之成本
香港財務報告準則第2號 (修訂本)	歸屬條款及取消
香港財務報告準則第7號 (修訂本)	金融工具披露之改進
香港財務報告準則第8號	經營分部
香港 (國際財務報告詮釋委員會) – 詮釋第9號及香港會計準則第39號 (修訂本)	內含衍生工具
香港 (國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃
香港 (國際財務報告詮釋委員會) – 詮釋第15號	房地產建築協議
香港 (國際財務報告詮釋委員會) – 詮釋第16號	海外業務投資淨額對沖
香港 (國際財務報告詮釋委員會) – 詮釋第18號	自客戶轉讓資產

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The adoption of the above new/revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods, except for certain presentational change as a result of adopting HKAS 1 (Revised). Comparative figures have been restated or included in these financial statements in order to achieve a consistent presentation. The statements of financial position, previously known as balance sheets, at the beginning of the year ended 31 March 2009 have not been presented as there were no changes to the originally published statements.

The following new/revised HKFRSs, potentially relevant to the Group’s operations, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions ⁴
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹

3. 採納香港財務報告準則（「香港財務報告準則」）（續）

採納上述新訂／經修訂香港財務報告準則對本集團目前及過往報告期間之已呈報業績或財務狀況並無重大影響，惟因採納香港會計準則第1號（經修訂）導致之若干呈報形式上之變動除外。比較數字經已重列或載入該等財務報表，以達致一致之呈報方式。截至二零零九年三月三十一日止年度初之財務狀況表（前稱為資產負債表）並無呈列，原因為原已刊發之報表並無任何變動。

以下為對本集團業務具潛在相關性之新訂／經修訂香港財務報告準則，該等準則經已頒佈但尚未生效，而本集團亦無提前採納該等準則。

香港財務報告準則（修訂本）	香港財務報告準則第5號之修訂，作為香港財務報告準則之改進一部份 ¹
香港財務報告準則（修訂本）	二零零九年對香港財務報告準則之改進 ²
香港財務報告準則（修訂本）	二零一零年對香港財務報告準則之改進 ³
香港財務報告準則第2號之修訂	股份支付款項－集團之現金結算股份支付款項交易 ⁴
香港會計準則第27號（經修訂）	綜合及獨立財務報表 ¹

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ⁵
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKFRS 9	Financial Instruments ⁷

Effective date:

- ¹ Effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
- ³ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- ⁴ Effective for annual periods beginning on or after 1 January 2010
- ⁵ Effective for annual periods beginning on or after 1 July 2010
- ⁶ Effective for annual periods beginning on or after 1 January 2011
- ⁷ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. 採納香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第3號（經修訂）	企業合併 ¹
香港（國際財務報告詮釋委員會）— 詮釋第17號	向擁有人分派非現金資產 ¹
香港（國際財務報告詮釋委員會）— 詮釋第19號	以股本工具註銷財務負債 ⁵
香港會計準則第24號（經修訂）	關連人士披露 ⁶
香港財務報告準則第9號	金融工具 ⁷

生效日期：

- ¹ 於二零零九年七月一日或以後開始之年度期間生效
- ² 於二零零九年七月一日及二零一零年一月一日（視情況而定）或以後開始之年度期間生效
- ³ 於二零一零年七月一日及二零一一年一月一日（視情況而定）或以後開始之年度期間生效
- ⁴ 於二零一零年一月一日或以後開始之年度期間生效
- ⁵ 於二零一零年七月一日或以後開始之年度期間生效
- ⁶ 於二零一一年一月一日或以後開始之年度期間生效
- ⁷ 於二零一三年一月一日或以後開始之年度期間生效

本集團正評估該等新訂／經修訂香港財務報告準則之潛在影響，而董事目前認為應用該等新訂／經修訂香港財務報告準則並不會對本集團之業績及財務狀況造成重大影響。

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRSs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

(b) Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention.

(c) Basis of consolidation

These financial statements incorporate the financial statements of the Company and its subsidiaries.

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

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

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.

4. 主要會計政策

(a) 遵規聲明

該等財務報表乃根據所有適用香港財務報告準則、香港公認會計原則以及香港公司條例之披露規定而編製。此外，財務報表包括創業板上市規則規定之適用披露資料。

(b) 財務報表之編製基準

該等財務報表乃根據歷史成本慣例編製。

(c) 綜合基準

該等財務報表包括本公司及其附屬公司之財務報表。

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

公司間之所有交易、結餘及集團公司間交易之未變現收益已於綜合賬目時全數對銷。除非有關交易可提供已轉讓資產出現減值之證據，否則未變現虧損亦予以對銷。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries

Subsidiaries are entities in which the Group has the power to govern the financial and operating policies, so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

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

(e) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

4. 主要會計政策 (續)

(d) 附屬公司

附屬公司為本集團有權監控其財務及營運政策以從其業務中獲益之實體。於評定控制權時，將會考慮現時可予行使之潛在投票權。

於附屬公司之投資乃以成本減任何減值虧損計入本公司財務狀況表內。本公司按已收及應收股息將附屬公司之業績入賬。

(e) 聯營公司

聯營公司乃本集團對其有重大影響之實體，但並不是一間附屬公司或合營企業。重大影響力乃有權參與被投資公司之財務及經營政策決定而非控制或共同控制該等政策。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associate (Continued)

The results and assets and liabilities of associate are incorporated in the financial statements using the equity method of accounting. Under the equity method, investment in associate is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less impairment in the value of individual investment. Losses of an associate in excess of the Group's interest in that associate which includes any long-term interests that, in substance, form part of the Group's net investment in the associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the assets transferred, in which case they are recognised immediately in profit or loss.

4. 主要會計政策 (續)

(e) 聯營公司 (續)

聯營公司之業績及資產與負債乃以會計權益法入賬於財務報表。根據權益法，於聯營公司之投資按成本值入賬於綜合財務狀況表，並按收購後本集團應佔該聯營公司資產淨值之變動作出調整，扣減個別投資價值之減值。倘本集團所佔聯營公司之虧損超過其於該聯營公司之權益（包括任何長期權益，實際構成本集團於該聯營公司之淨投資一部份），則惟有在本集團代表該聯營公司招致法律或推定責任或作出付款之情況下方會對此予以確認。

收購成本超出收購日期所確認本集團應佔該聯營公司之可識別資產、負債及或然負債公平淨值之任何數額，乃確認為商譽。商譽乃計入於投資賬面值內，並作為投資一部份而進行減值評估。倘評估後，本集團應佔可識別資產、負債及或然負債之公平淨值超出收購成本，則任何超出數額即時於損益確認。

當集團實體與本集團聯營公司交易，溢利及虧損會被抵銷至本集團於該相關聯營公司之權益，惟倘未變現虧損可提供已轉讓資產出現減值之證據，在此情況下則會即時於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment

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

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

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

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

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

4. 主要會計政策 (續)

(f) 物業、廠房及設備

物業、廠房及設備乃按成本減其後之累積折舊及累積減值虧損列賬。

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

(h) Impairment of assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment/investment property under cost model;
- leasehold land; and
- interests in subsidiaries and associate.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策 (續)

(g) 存貨

存貨乃按可變現淨值兩者之較低者入賬。成本(包括固定及可變之間接產生費用之適當部份)按最適用於某存貨類別之方法被分配予存貨,主要按先入先出法基準計算。可變現淨值乃按估計售價扣除任何直至完成產生之估計成本及出售所需成本計算。

(h) 資產(商譽除外)之減值

於各報告期末,本集團審核以下資產之賬面值,以釐定是否顯示該等資產遭受減值虧損或先前已確認之減值虧損不再存在或可能有所減少:

- 物業、廠房及設備/成本模式之投資物業;
- 租賃土地;及
- 於附屬公司及聯營公司之權益。

倘資產(或現金產生單位)之可收回金額估計低於其賬面值,則資產(或現金產生單位)之賬面值將扣減至其可收回金額。減值虧損即時於損益賬確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets excluding goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(i) Financial assets

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

The Group's financial assets are classified into loans and receivables.

(i) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. 主要會計政策 (續)

(h) 資產 (商譽除外) 之減值 (續)

倘減值虧損於其後撥回，資產 (或現金產生單位) 之賬面值將增至其可收回金額之經修訂估計值，惟增加之賬面值不得超過以往年度資產 (或現金產生單位) 未有確認減值虧損而原應釐定之賬面值。減值虧損撥回即時於損益賬確認。

(i) 財務資產

根據合約 (有關條款規定該項投資須於相關市場制訂之時限內交付) 買賣財務資產時，財務資產會於交易日確認或終止確認。

本集團之財務資產分類為貸款及應收款項。

(i) 貸款及應收款項

有定額或待定付款且並無在活躍市場報價之貿易應收貨款、貸款及其他應收款項分類為貸款及應收款項。貸款及應收款項初步按公允價值加收購財務資產之直接交易成本計量。初步確認後，其採用實際利率法按攤銷成本扣除任何減值列賬。利息收入以實際利率確認，惟利息甚微之短期應收款項除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(ii) Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

4. 主要會計政策 (續)

(i) 財務資產 (續)

(ii) 財務資產之減值

於各報告日期評估財務資產有否減值跡象。倘有客觀證據顯示財務資產因首次確認後發生的一項或多項事影響相關投資之估計未來現金流量，則財務資產屬已減值。

減值之客觀證據包括：

- 發行人或交易對手出現重大財務困難；或
- 拖欠或欠付利息及本金付款；或
- 借貸方很可能破產或進行財務重組；或
- 技術、市場、經濟或法律環境出現對債務人不利之重大變動。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

If any such evidence exists, the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

4. 主要會計政策 (續)

(i) 財務資產 (續)

(ii) 財務資產之減值 (續)

倘存在任何上述跡象，則減值虧損以資產賬面值與財務資產（以攤銷成本列賬，並具有類似風險特徵，如類似逾期情況及無個別評估作減值時）賬面值折讓後估計未來現金流量之現值之間差額計算。共同評估有否減值之財務資產未來現金流量，乃根據與整個集團所持具有類似信貸風險特徵之資產之過往虧損情況評估。

倘減值虧損金額於其後減少，且該等減少客觀與確認減值虧損後發生之事件相關，則減值虧損將在損益撥回。撥回減值虧損不得導致資產賬面值超過假設於以往年度從未確認減值虧損而應確認之資產賬面值。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

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

(iii) 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 through the expected life of the financial asset, or where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.

4. 主要會計政策 (續)

(i) 財務資產 (續)

(ii) 財務資產之減值 (續)

減值虧損直接於相關資產撇減，惟可收回情況存疑但並非遙遙無期之貿易賬款及其他應收款項確認之減值虧損除外。在此情況下，呆賬減值虧損會於撥備賬記錄。倘本集團信納收回情況遙遙無期，視為不可收回之金額將直接從應收貿易賬款中撇銷，並撥回在撥備賬中有關該債務之任何金額。倘之前自撥備賬扣除之款項其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益賬中確認。

(iii) 實際利率法

實際利率法為於有關期間計算財務資產之攤銷成本及分配利息收入之方法。實際利率為透過財務資產於估計年期或更短期間（如適用）內準確貼現估計未來現金收款之利率。

債務工具按實際利率基準確認收入（惟該等指定按公允價值透過損益列賬之財務資產除外）。

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

(i) Financial assets (Continued)

(iv) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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.

4. 主要會計政策 (續)

(i) 財務資產 (續)

(iv) 終止確認財務資產

倘本集團自資產獲得現金流量之合約權利屆滿或倘向另一實體轉讓財務資產及該資產所有權之絕大部分風險及回報，則會終止確認該項財務資產。倘本集團既無轉讓亦無保留所轉讓資產所有權之絕大部分風險及回報並繼續控制該資產，則本集團會確認於該資產之保留權益及可能須支付之相關負債。倘本集團保留所轉讓財務資產所有權之絕大部分風險及回報，則本集團會繼續確認該項財務資產，亦會就所獲得之所得款項確認抵押借貸。

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

**(j) Financial liabilities and equity instrument
issued by the Group**

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(iii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

4. 主要會計政策 (續)

**(j) 本集團所發行之財務負債
及股本工具**

(i) 分類為債務或權益

債務及股本工具根據合約安排內容分類為財務負債或權益。

(ii) 股本工具

股本工具乃證明實體於資產中擁有剩餘權益(已扣減其所有負債)之任何合約。本集團所發行股本工具按所得款項減直接發行成本列賬。

(III) 其他財務負債

其他財務負債(包括借貸)初步按公允價值(扣除交易成本)計量。

其他財務負債其後會使用實際利率法按攤銷成本計量,利息開支則以實際收益率基準予以確認。

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

**(j) Financial liabilities and equity instrument
issued by the Group (Continued)**

(iv) 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.

(v) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(k) Convertible notes

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

4. 主要會計政策 (續)

**(j) 本集團所發行之財務負債
及股本工具 (續)**

(iv) 實際利率法

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

(v) 終止確認財務負債

本集團於且僅於本集團之負債獲解除、取消或屆滿時終止確認財務負債。

(k) 可換股票據

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Convertible notes (Continued)

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

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

4. 主要會計政策 (續)

(k) 可換股票據 (續)

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Convertible notes (Continued)

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

(l) Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. 主要會計政策 (續)

(k) 可換股票據 (續)

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

(l) 撥備

倘若本集團現時須就已發生之事件承擔法律責任或推定責任，而且本集團可能被要求清算債務，而債務金額可以可靠估計，則本集團會計提撥備。

作為撥備確認的金額是對於報告期末清償現有負債所需代價的最佳估計，並經充分考慮負債相關的風險及不確定性。倘使用估計清償債務之現金流量計量撥備，則其賬面值即為該等現金流量之現值。

當用來清償撥備所要求之部分或全部經濟效益預計可以從第三方收回，如可實際確認可以收回且可收回金額可以可靠計算，則可收回金額作為資產確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(n) Taxation

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

(i) Current tax

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

4. 主要會計政策 (續)

(m) 或然負債

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗不確定未來事件會否發生才能確認，而本集團並不能控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在財務報表中披露。假如消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確認為撥備。

(n) 稅項

所得稅開支代表即期應付稅項及遞延稅項之總和。

(i) 即期稅項

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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.

4. 主要會計政策 (續)

(n) 稅項 (續)

(ii) 遞延稅項

遞延稅項乃根據於財務報表資產及負債之賬面值與用於計算應課稅溢利之相應稅基之間之差額確認，並使用資產負債表負債法入賬。遞延稅項負債一般確認所有應課稅暫時差額，而遞延稅項資產一般於可能有應課稅溢利用以抵銷所有可扣減暫時差額時確認。倘該暫時差額乃因商譽或因交易初步確認（業務合併除外）其他資產或負債而產生，而該交易並無影響應課稅溢利及會計溢利，則不會確認有關資產及負債。

遞延稅項資產之賬面值乃於各報告日期檢討，並在沒可能有足夠應課稅溢利可供收回全部或部分資產時作調減。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate, 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. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. 主要會計政策 (續)

(n) 稅項 (續)

(ii) 遞延稅項 (續)

除非本集團可控制該暫時差額之撥回且該暫時差額在可預見未來不會撥回，否則遞延稅項負債就於附屬公司及聯營公司之投資所產生之應課稅暫時差額予以確認。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產只有在可能有足夠應課稅溢利可以用於使用暫時差額之利益並且在可預見的未來可以撥回時確認。

遞延稅項資產及負債乃根據於報告期末已實行或大致上已實行的稅率（及稅務法律）以該期間（當負債被清償或資產被變現時）預期的適用稅率來計量。遞延稅項負債及資產的計算是遵循本集團希望於報告期末沖回或者結算其資產及負債賬面值的方式來確認的稅收結果。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax (Continued)

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

(o) Foreign currencies

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

Transactions in currencies other than the functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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.

4. 主要會計政策 (續)

(n) 稅項 (續)

(ii) 遞延稅項 (續)

遞延稅項資產及負債於有法律權利以即期稅項負債抵銷即期稅項資產時，及與同一稅務機關徵收之所得稅有關以及本集團擬按淨額基準結清其即期稅項資產與負債時予以抵銷。

(o) 外幣

每個集團實體之個別財務報表以實體運營地主要經濟環境下之貨幣（「功能貨幣」）列示。就綜合財務報表而言，每個集團實體之業績及財務狀況用本公司之功能貨幣及綜合財務報表之呈列貨幣港幣列示。

以實體功能貨幣以外之貨幣（「外幣」）進行之交易以於交易日期當前之匯率入賬。以外幣結算之貨幣項目以報告期末當前之匯率重新換算。按公允價值列賬並以以外幣結算之非貨幣項目以公允價值釐定之日期當前之匯率重新換算。以外幣之歷史成本計算之非貨幣項目毋須重新換算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currencies (Continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the translation reserve and recognised in profit or loss on disposal of the net investment.

4. 主要會計政策 (續)

(o) 外幣 (續)

匯兌差額乃於產生期內於損益內確認，惟以下各項例外：

- 當有關未來生產使用之在建資產之匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額乃計入該等資產之成本；
- 為對沖若干外幣風險而訂立交易之匯兌差額；及
- 應收或應付一項境外業務之貨幣項目匯兌差額，因其既無計劃結算，而結算亦不大可能發生，其為境外業務淨投資之一部份，並於兌換儲備內確認及於出售淨投資時於損益內確認。

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

(o) Foreign currencies (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(p) Employees' benefits

(i) Short-term benefits

Salaries, annual bonuses, paid annual leaves and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payments or settlements are deferred and the effect would be material, these amounts are stated at their present value.

4. 主要會計政策 (續)

(o) 外幣 (續)

就呈列綜合財務報表而言，本集團境外業務之資產及負債按報告期末當前之匯率被換算為港幣，而其收入及開支則按期內平均匯率換算，除非匯率於期內顯著地波動（在此情況下，使用於交易日期當前之匯率）。產生之匯兌差額（如有）於其他全面收入確認並以匯兌儲備於權益中累計。該等匯兌差額於出售境外業務之期間於損益內確認。

(p) 僱員福利

(i) 短期福利

年內之僱員薪金、年終花紅、有薪年假及非金錢福利成本乃於僱員提供相關服務時列賬。倘遞延支付或償付有關福利，且影響重大，則該等金額會以其現值列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employees' benefits (Continued)

(ii) Pension obligations

Contributions to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to profit or loss when incurred. The Group has no further payment obligations once the contribution has been made.

(q) Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2002 that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

4. 主要會計政策 (續)

(p) 僱員福利 (續)

(ii) 退休金責任

根據香港強制性公積金計劃條例規定作出之強制性公積金計劃供款於產生時於損益內扣除。本集團於作出供款後將再無其他供款責任。

(q) 權益結算以股份為基礎之付款交易

向僱員及提供類似服務之人士作出權益結算以股份為基礎之付款乃按授出日期股本工具之公允價值計量。

於授出日期釐定權益結算以股份為基礎之付款之公允價值，根據本集團估計最終將會歸屬之股本工具於歸屬期內以直線法支銷。於報告期末，本集團修訂其預期將會歸屬之估計股本工具數目。修訂原先估計之影響（如有）乃按剩餘歸屬期間於損益中確認，並於購股權儲備作出相應調整。

上述政策適用於在二零零二年十一月七日後授出並於二零零五年一月一日後歸屬之所有權益結算以股份為基礎之付款。概無金額已就其他權益結算以股份為基礎之付款於財務報表內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Equity-settled share-based payment transactions (Continued)

Equity-settled share-based payments transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(s) Leases

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

4. 主要會計政策 (續)

(q) 權益結算以股份為基礎之付款交易 (續)

向其他人士作出權益結算以股份為基礎之付款交易按所獲取貨品或服務之公允價值計量。惟在其公允價值未能可靠地衡量之情況下，則按照授出之股本工具於本集團獲取貨品或對方提供服務當日之公允價值計量。

就現金結算以股份為基礎之付款而言，相等於所獲貨品或服務部份之負債按於各報告期末釐定之當前公允價值確認。

(r) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款以及原到期日為三個月或以下隨時可兌換為已知數額現金之其他短期高流動性投資，其價值變動風險較低。就綜合現金流量表而言，按求償還且為本集團現金管理重要部份之銀行透支亦計入為現金及現金等值項目之一部份。

(s) 租賃

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Leases (Continued)

As lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(t) Leasehold land

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

4. 主要會計政策 (續)

(s) 租賃 (續)

作為承租人

根據融資租賃持有之資產初步按公允價值或最低租賃付款之現值(如金額較低)確認為資產。相應之租賃承擔以負債列示。租賃付款按資本及利息進行分析。利息部份於租期內於損益扣除,並以於租賃負債中佔固定比例方式計算。資本部份減去欠付出租人之餘額。

經營租賃應付之租金總額將於租期內以直線法在損益扣除。已收取之租賃獎勵於租期內確認為租金開支總額之一部份。

物業租賃之土地及樓宇部份就租賃分類而言作獨立考慮。

(t) 租賃土地

經營租賃項下預付土地租賃賬款最初按成本列賬,隨後於租賃期以直線法確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4. 主要會計政策 (續)

(u) 收入確認

收入乃以已收或應收之代價之公允價值計算。收入乃減去估計客戶退貨、回扣及其他類似撥備。

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

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

(v) Barter transactions

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

(w) Borrowing costs

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

4. 主要會計政策 (續)

(v) 以物易物交易

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

(w) 借貸成本

所有其他借貸成本於所產生期間內於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Related parties

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results 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. 主要會計政策 (續)

(x) 關連人士

若一方有能力，直接或間接控制另一方，或對另一方作出之財務及經營政策決策具有重大之影響力，則雙方被視為有關連。若雙方受到共同控制或共同重大影響力時，則雙方亦被視為有關連。關連人士可為個人（即主要管理人員成員、主要股東及／或彼等之近親家庭成員）或其他實體，亦包括本集團關連人士（個人）對其有重大影響力之實體，以及本集團或任何身為本集團關連人士之實體之僱員受益之退休福利計劃。

5. 關鍵會計判斷及估計不確定因素之主要來源

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

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

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

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

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

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(a) 物業、廠房及設備之可使用年期及剩餘價值

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

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

(b) Impairment loss for property, plant and equipment

The impairment loss for property, plant and equipment is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount of the assets, or, where appropriate, the cash generating unit to which they belong, is the higher of its fair value less costs to sell and value in use. The recoverable amounts are determined based on fair value less costs to sell which are based on the best information available to reflect the amount obtainable at the end of reporting period, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting the costs of disposal.

For the estimation of value in use, the Group's management estimates future cash flows from the cash-generating units and chooses a suitable discount rate in order to calculate the present value of those cash flows.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(b) 物業、廠房及設備減值虧損

當物業、廠房及設備之賬面值超過其可收回金額時，本集團會就超出金額對物業、廠房及設備確認減值虧損。資產或（倘合適）彼等所屬之現金產生單位之可收回金額為其公允價值減銷售成本與使用價值兩者之較高者。可收回金額根據公允價值減銷售成本予以釐定，其根據自公平交易中知情及自願各方出售該資產取得，並反映於報告期末可獲得金額（扣除出售成本）之最佳資料計算。

就估計使用價值而言，本集團之管理層估計自現金產生單位獲得之未來現金流量，並選擇適當貼現率，以計算該等現金流量之現值。

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

(c) Impairment losses for bad and doubtful accounts

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

6. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group operates one business segment, which is the publication of newspaper, magazines and books and therefore, no further business segment analysis is presented.

All operating assets and operations of the Group during the years ended 31 March 2010 and 2009 were substantially located and carried out in Hong Kong.

The Group's revenue from external customers is principally derived from its operations in Hong Kong. The Group's customer base is diversified and there was no customer with whom transactions have exceeded 10% of the Group's revenue.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

(c) 呆壞賬減值虧損

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

6. 分部資料

本集團根據主要營運決策者審閱用以作出策略性決定之報告釐定其經營分部。

本集團經營一個業務分部，即出版報章、雜誌及書籍，因此，並無呈列其他業務分部分析。

本集團於截至二零一零年及二零零九年三月三十一日止年度之全部經營資產及業務絕大部份均位於香港及於香港進行。

本集團之外部客戶收入主要源自其於香港之業務。本集團之客戶基礎多元化，且並無客戶之交易額佔本集團收入超過10%。

7. TURNOVER

Turnover, which is also revenue, represents the gross proceeds received and receivable derived from the sales of newspapers, magazines, books and advertising income and are summarised as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Sale of newspapers, magazine and books	銷售報章、雜誌及書籍	18,753	21,054
Newspapers and magazine advertising income	報章及雜誌廣告收入	16,355	10,436
		35,108	31,490

Included in newspapers and magazine advertising income is an amount of approximately HK\$3,500,000 (2009: approximately HK\$1,152,000) in respect of barter transactions entered into during the year.

7. 營業額

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

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Sale of newspapers, magazine and books	銷售報章、雜誌及書籍	18,753	21,054
Newspapers and magazine advertising income	報章及雜誌廣告收入	16,355	10,436
		35,108	31,490

報章及雜誌廣告收入包括於年內訂立金額約為港幣3,500,000元（二零零九年：約港幣1,152,000元）之以物易物之交易。

Notes to the Financial Statements For the year ended 31 March 2010

財務報表附註 截至二零一零年三月三十一日止年度

8. OTHER REVENUE AND OTHER NET GAINS

8. 其他收入及其他淨收益

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Other revenue:	其他收入：		
Reversal of other payables	撥回其他應付款項	850	1,068
Reversal of impairment loss on trade receivables	撥回貿易應收款項 減值虧損	-	574
Imputed interest income on other borrowings (Note 24(a)(iii))	其他借貸之推算 利息收入 (附註24(a)(iii))	6,000	-
Sundry income	雜項收入	1,545	692
		8,395	2,334
Other net gains:	其他淨收益：		
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益	6	-
		8,401	2,334

9. FINANCE COSTS

9. 財務成本

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest on bank borrowings wholly repayable within five years	於五年內全部償還之 銀行借貸利息	1	1
Interest on other borrowings wholly repayable:	須全部償還之 其他借貸利息：		
within five years	於五年內	9,998	12,696
after five years	於五年後	2,909	2,998
Effective interest expenses on convertible note (Note 25)	可換股票據之 實際利息開支 (附註25)	7,813	9,579
		20,721	25,274

10. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/
(crediting):

10. 除所得稅前虧損

除所得稅前虧損乃經扣除／(計
入)下列各項後得出：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Auditor's remuneration	核數師酬金	850	800
Depreciation (Note 16(a))	折舊 (附註16(a))	1,202	1,468
Amortisation of land lease premium (Note 16(b))	租賃土地地價攤銷 (附註16(b))	3	2
Provision for/(reversal of) impairment loss on trade receivables (Note 20(b))	貿易應收款項減值 虧損之撥備／ (撥回) (附註20(b))	278	(574)
Impairment loss on property, plant and equipment (Note 16(a))	物業、廠房及設備之 減值虧損 (附註16(a))	-	1,140
Employee benefit expenses (including directors' emoluments) (Note 12)	僱員福利開支 (包括董事酬金) (附註12)		
- salaries, wages and other benefits	- 薪金、工資及 其他福利	32,997	26,909
- contributions to defined contribution retirement scheme (Note 31)	- 一定額供款退休 計劃之供款 (附註31)	1,260	933
Minimum lease payments under operating leases on	根據經營租賃之 最低租賃付款		
- machinery	- 機器	947	418
- leasehold land and buildings	- 租賃土地及樓宇	5,065	5,134
- motor vehicles	- 汽車	465	202
Cost of inventories (including write-down of inventories) (Note 19(b))	存貨成本 (包括撇減存貨) (附註19(b))	-	1,074

11. INCOME TAX

- (a) Income tax credit in the consolidated statement of comprehensive income represents:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Deferred tax (Note 23(b))	遞延稅項 (附註23(b))	(2,339)	(1,580)

No provision for Hong Kong profits tax (2009: HK\$Nil) has been provided as the Group has no assessable profit generated during the year.

- (b) The taxation credit for the year can be reconciled to the accounting loss as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss before income tax	除所得稅前虧損	(66,082)	(66,040)
Taxation calculated at Hong Kong profits tax rate of 16.5% (2009: 16.5%)	按香港利得稅16.5%稅率(二零零九年: 16.5%)計算之稅項	(10,904)	(10,897)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	1,330	2,076
Tax effect of non-taxable income	不可課稅收入之稅項影響	(990)	-
Tax effect of unused tax losses not recognised	未確認之未動用稅務虧損之稅項影響	8,225	7,278
Tax effect of utilisation of unused tax losses not recognised in prior years	動用往年未確認之未動用稅務虧損之稅項影響	-	(37)
Taxation for the year	本年度稅項	(2,339)	(1,580)

11. 所得稅

- (a) 綜合全面收益表內之所得稅抵免包括：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Deferred tax (Note 23(b))	(2,339)	(1,580)

由於本集團於本年度並無產生應課稅溢利，因此並無計提香港利得稅撥備（二零零九年：港幣零元）。

- (b) 本年度稅項抵免可與會計虧損對賬如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss before income tax	(66,082)	(66,040)

Taxation calculated at Hong Kong profits tax rate of 16.5% (2009: 16.5%)	按香港利得稅16.5%稅率(二零零九年: 16.5%)計算之稅項	(10,904)	(10,897)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	1,330	2,076
Tax effect of non-taxable income	不可課稅收入之稅項影響	(990)	-
Tax effect of unused tax losses not recognised	未確認之未動用稅務虧損之稅項影響	8,225	7,278
Tax effect of utilisation of unused tax losses not recognised in prior years	動用往年未確認之未動用稅務虧損之稅項影響	-	(37)
Taxation for the year	本年度稅項	(2,339)	(1,580)

Notes to the Financial Statements For the year ended 31 March 2010

財務報表附註 截至二零一零年三月三十一日止年度

12. DIRECTORS' EMOLUMENTS

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

12. 董事酬金

董事酬金根據香港公司條例第161條披露如下：

		Year ended 31 March 2010 截至二零一零年三月三十一日止年度			
		Directors' fees	Salaries, wages and other benefits	Contributions to defined retirement scheme	Total
		董事袍金	薪金、工資及其他福利	定額供款退休計劃之供款	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive Directors	執行董事				
Yu Wai Ying, Sammy	余懷英	311	—	—	311
Wong Yue Kwan, Alan	王裕鈞	497	—	—	497
Lau Henry**	劉瀚偉**	281	—	—	281
Wang Fei***	王飛***	—	—	—	—
Qin Hong***	覃宏***	—	—	—	—
Non-Executive Directors	非執行董事				
Ip Wing Lun*	葉泳倫*	40	—	—	40
Wong Chi Fai, Theodore*	黃志暉*	40	—	—	40
Independent Non-Executive Directors	獨立非執行董事				
Kong Tze Wing	江子榮	60	—	—	60
Wong Ching Yip#	王正暉#	60	—	—	60
Hung Yat Ming	洪日明	60	—	—	60
Wong Ka Chun, Carson**	黃家駿**	35	—	—	35
Pan Chik**	潘稷**	35	—	—	35
Jiang Jin Sheng***	姜進生***	—	—	—	—
		1,419	—	—	1,419

12. DIRECTORS' EMOLUMENTS (Continued)

12. 董事酬金 (續)

		Year ended 31 March 2009 截至二零零九年三月三十一日止年度			
		Contributions			Total
		Salaries, wages and other benefits	to defined contribution retirement scheme		
		Directors' fees	薪金、 工資及 其他福利	定額供款 退休計劃 之供款	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Chairman	主席				
Qin Hong	覃宏	-	-	-	-
Executive Directors	執行董事				
Yu Wai Ying, Sammy	余懷英	415	-	-	415
Wang Fei	王飛	-	-	-	-
Wong Yue Kwan, Alan	王裕鈞	315	-	-	315
Independent Non-Executive Directors	獨立非執行董事				
Shi Bin Hai [#]	施濱海 [#]	30	-	-	30
Yan Chun ^{###}	閻春 ^{###}	-	-	-	-
Jiang Jin Sheng ^{***}	姜進生 ^{***}	-	-	-	-
Kong Tze Wing	江子榮	10	-	-	10
Wong Ching Yip	王正曄	-	-	-	-
Hung Yat Ming	洪日明	-	-	-	-
		770	-	-	770

* Appointed on 10 August 2009

** Appointed on 4 September 2009

*** Removed on 4 September 2009

Re-designated as an executive director on 13 May 2010

^{##} Resigned on 13 August 2008

^{###} Resigned on 25 April 2008

* 於二零零九年八月十日獲委任

** 於二零零九年九月四日獲委任

*** 於二零零九年九月四日被罷免

於二零一零年五月十三日被調任為執行董事

^{##} 於二零零八年八月十三日辭任

^{###} 於二零零八年四月二十五日辭任

12. DIRECTORS' EMOLUMENTS (Continued)

During the year, no emolument or incentive payment was paid to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 March 2010 and 2009.

As at 31 March 2010, no share option (2009: nil) was held by the directors under the Company's share option scheme. The details of the share options are disclosed in Note 30.

13. FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2009: one) was a director of the Company whose emolument is included in Note 12 above. The emoluments of the remaining four (2009: four) highest paid non-director individuals were as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	2,041	1,873
Contributions to defined contribution retirement scheme	定額供款退休計劃之供款	40	32
		2,081	1,905

12. 董事酬金 (續)

年內，本集團並無支付任何酬金或獎勵金予董事以吸引加入本集團或作離職之補償。截至二零一零年及二零零九年三月三十一日止年度，概無董事放棄或同意放棄任何薪酬之安排。

於二零一零年三月三十一日，概無董事在本公司購股權計劃下持有購股權（二零零九年：無）。購股權之詳情於附註30披露。

13. 五名最高薪人士

本集團五名最高薪人士中包括一名本公司董事（二零零九年：一名），彼之酬金已載於上文附註12內。其餘四名（二零零九年：四名）非董事最高薪人士之酬金如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries, wages and other benefits	2,041	1,873
Contributions to defined contribution retirement scheme	40	32
	2,081	1,905

13. FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

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

There was no amount paid during the years ended 31 March 2010 and 2009 to the four highest paid non-director individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of approximately HK\$13,470,000 (2009: HK\$21,821,000) which has been dealt with in the financial statements of the Company.

15. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share amount is based on the loss attributable to owners of the Company of approximately HK\$63,743,000 (2009: approximately HK\$64,460,000) and the weighted average number of 1,266,644,875 (2009: 991,685,971) ordinary shares in issue during the year.

(b) Diluted loss per share

Diluted loss per share amounts for the current and prior years are the same as the basic loss per share amounts as the potential ordinary shares outstanding during both years had an anti-dilutive effect on the basic loss per share amounts for the current and prior year.

13. 五名最高薪人士 (續)

其酬金全部介乎港幣零元至港幣1,000,000元內。

截至二零一零年及二零零九年三月三十一日止年度，本集團並無支付任何款項予該四名非董事最高薪人士以吸引加入本集團或作離職之補償。

14. 本公司擁有人應佔虧損

本公司擁有人應佔綜合虧損包括已於本公司財務報表內處理之虧損約港幣13,470,000元（二零零九年：港幣21,821,000元）。

15. 每股虧損

(a) 每股基本虧損

每股基本虧損面值乃以本公司擁有人應佔虧損約港幣63,743,000元（二零零九年：約港幣64,460,000元）及年內已發行普通股之加權平均股數1,266,644,875股（二零零九年：991,685,971股）計算。

(b) 每股攤薄虧損

由於本年度及往年度發行之潛在普通股對本年度及往年度之每股基本虧損面值具有反攤薄影響，故該兩個年度之每股攤薄虧損面值與每股基本虧損面值相同。

16. PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND

(a) Property, plant and equipment

The Group

		Building	Leasehold improvements	Machinery	Furniture, fixtures and equipment	Network and computer equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	機器	傢私、裝置及設備	網絡及電腦設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Cost	成本							
At 1 April 2008	於二零零八年四月一日	111	2,166	74,815	3,102	10,799	83	91,076
Additions	增購	-	-	-	-	320	-	320
At 31 March 2009 and 1 April 2009	於二零零九年三月三十一日及二零零九年四月一日	111	2,166	74,815	3,102	11,119	83	91,396
Additions	增購	-	83	-	134	1,890	-	2,107
Disposal	出售	-	-	-	(65)	-	(83)	(148)
At 31 March 2010	於二零一零年三月三十一日	111	2,249	74,815	3,171	13,009	-	93,355
Accumulated depreciation and impairment	累計折舊及減值							
At 1 April 2008	於二零零八年四月一日	34	489	74,811	2,532	8,585	80	86,531
Charge for the year	年度支出	4	324	4	119	1,014	3	1,468
Impairment for the year	年度減值	-	540	-	-	600	-	1,140
At 31 March 2009 and 1 April 2009	於二零零九年三月三十一日及二零零九年四月一日	38	1,353	74,815	2,651	10,199	83	89,139
Charge for the year	年度支出	4	332	-	121	745	-	1,202
Disposal	出售	-	-	-	(65)	-	(83)	(148)
At 31 March 2010	於二零一零年三月三十一日	42	1,685	74,815	2,707	10,944	-	90,193
Net carrying value	賬面淨值							
At 31 March 2010	於二零一零年三月三十一日	69	564	-	464	2,065	-	3,162
At 31 March 2009	於二零零九年三月三十一日	73	813	-	451	920	-	2,257

16. 物業、廠房及設備及租賃土地

(a) 物業、廠房及設備

本集團

16. PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (Continued)

(b) Leasehold land

16. 物業、廠房及設備及租賃土地 (續)

(b) 租賃土地

		The Group	
		本集團	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Leasehold land situated in Hong Kong and held under medium-term lease:	位於香港並根據中期租賃持有之租賃土地：		
Carrying amount at beginning of year	於年初之賬面值	115	117
Amortised during the year	年內攤銷	(3)	(2)
Carrying amount at end of year	於年末之賬面值	112	115

17. INTERESTS IN SUBSIDIARIES

17. 於附屬公司權益

		The Company	
		本公司	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，按成本	-	-
Less: impairment loss	減：減值虧損	-	-
		-	-
Due from subsidiaries	應收附屬公司款項		
(Note b)	(附註b)	750,330	687,168
Less: allowance for doubtful debts	減：呆賬撥備		
(Note c)	(附註c)	(750,330)	(687,168)
Due to subsidiaries	應付附屬公司款項		
(Note d)	(附註d)	(1,819)	-
		(1,819)	-

17. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (a) The table below lists the principal subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. The class of shares held is ordinary unless otherwise stated. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

17. 於附屬公司權益 (續)

附註：

- (a) 下表列出董事認為主要影響年度業績或組成本集團資產淨值主要部份之本公司主要附屬公司。除另有指明外，持有股份類別均為普通股。董事認為載列其他附屬公司詳情將導致資料過分冗長。

Name of company 公司名稱	Place/Country of incorporation and operation 註冊成立及 經營地點／國家	Particulars of issued and paid-up capital 已發行及 繳足股本詳情	Percentage of equity interests attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
First Brilliant Limited	British Virgin Islands ("BVI")/ Hong Kong	US\$1	100	–	Investment holding
First Brilliant Limited	英屬處女群島／ 香港	1美元	100	–	投資控股
Actiwater Resources Limited	BVI/Hong Kong	US\$1	–	100	Investment holding
Actiwater Resources Limited	英屬處女群島／ 香港	1美元	–	100	投資控股
Fidelity Capital Resources Limited	Hong Kong	HK\$1	100	–	Provision of management services
裕豐資本有限公司	香港	港幣1元	100	–	提供管理服務
Komatic International Limited	BVI/Hong Kong	US\$1	–	100	Investment holding
Komatic International Limited	英屬處女群島／ 香港	1美元	–	100	投資控股
Optima Media Holding Limited	BVI/Hong Kong	US\$100	–	100	Investment holding
Optima Media Holding Limited	英屬處女群島／ 香港	100美元	–	100	投資控股

Notes to the Financial Statements For the year ended 31 March 2010

財務報表附註 截至二零一零年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES (Continued)

Notes: (Continued)

(a) (Continued)

Name of company 公司名稱	Place/Country of incorporation and operation 註冊成立及 經營地點/國家	Particulars of issued and paid-up capital 已發行及 繳足股本詳情	Percentage of equity interests attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sing Pao Newspaper Assets Limited 成報報刊資產有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Holding of property, plant and equipment 持有物業、廠房及設備
Sing Pao Newspaper (BVI) Limited Sing Pao Newspaper (BVI) Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 1美元	-	100	Investment holding 投資控股
Sing Pao Newspaper Company Limited 成報報刊有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Newspaper publication 出版報章
Sing Pao Publishing Limited 成報出版社有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Book publication 出版書籍
Sing Pao Newspaper Management Limited 成報報刊管理有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Provision of management services 提供管理服務
Sing Pao Website Limited 成報網站有限公司	Hong Kong 香港	HK\$1 港幣1元	100	-	Website holding and magazine publication 持有網站及出版雜誌
Wah Fung Book Store Limited 華風書局有限公司	Hong Kong 香港	HK\$796,000 港幣796,000元	-	100	Property holding 持有物業
Creative Global Holdings Limited Creative Global Holdings Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Investment holding 投資控股
Goodway Group Holdings Limited 裕隆控股有限公司	Hong Kong 香港	HK\$1 港幣1元	-	100	Inactive 不活躍

17. 於附屬公司權益 (續)

附註：(續)

(a) (續)

Name of company 公司名稱	Place/Country of incorporation and operation 註冊成立及 經營地點/國家	Particulars of issued and paid-up capital 已發行及 繳足股本詳情	Percentage of equity interests attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sing Pao Newspaper Assets Limited 成報報刊資產有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Holding of property, plant and equipment 持有物業、廠房及設備
Sing Pao Newspaper (BVI) Limited Sing Pao Newspaper (BVI) Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 1美元	-	100	Investment holding 投資控股
Sing Pao Newspaper Company Limited 成報報刊有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Newspaper publication 出版報章
Sing Pao Publishing Limited 成報出版社有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Book publication 出版書籍
Sing Pao Newspaper Management Limited 成報報刊管理有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	Provision of management services 提供管理服務
Sing Pao Website Limited 成報網站有限公司	Hong Kong 香港	HK\$1 港幣1元	100	-	Website holding and magazine publication 持有網站及出版雜誌
Wah Fung Book Store Limited 華風書局有限公司	Hong Kong 香港	HK\$796,000 港幣796,000元	-	100	Property holding 持有物業
Creative Global Holdings Limited Creative Global Holdings Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Investment holding 投資控股
Goodway Group Holdings Limited 裕隆控股有限公司	Hong Kong 香港	HK\$1 港幣1元	-	100	Inactive 不活躍

17. INTERESTS IN SUBSIDIARIES (Continued)

Notes: (Continued)

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

(c) **Movements in the allowance for doubtful debts**

At beginning of year	於年初
Impairment losses recognised	已確認減值虧損
Uncollectible amounts written off	已撇銷之不可收回款項
At end of year	於年末

After considering the profitability, financial positions, cash flows and future prospects of these subsidiaries, the directors considered that it was appropriate to make impairment on amounts due from the subsidiaries. The recoverable amount of the investment in subsidiaries based upon which impairment loss is arrived at is its value in use and is determined using discounted cash flows. The discount rate used is 34.8% (2009: 34.8%) per annum, which is determined with reference to the borrowing rates of the Group during the year.

(d) The amounts due to subsidiaries were unsecured, interest-free and repayable on demand.

17. 於附屬公司權益 (續)

附註：(續)

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

(c) **呆賬撥備變動**

The Company 本公司	
2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
687,168	870,093
63,162	52,607
-	(235,532)
750,330	687,168

經考慮該等附屬公司之盈利能力、財務狀況、現金流量及未來前景，董事認為於應收附屬公司款項所作之減值乃恰當的。投資於附屬公司之可收回款項乃根據其使用價值所得之減值虧損並使用貼現現金流量釐定。所使用之貼現率為34.8%（二零零九年：每年34.8%），乃參考本集團於年內之借貸利率而釐定。

(d) 應付附屬公司款項乃無抵押，且屬免息及按要求償還。

18. INTEREST IN AN ASSOCIATE

18. 於聯營公司權益

		The Group 本集團	
		2010 二零一零年	2009 二零零九年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Share of net assets	應佔資產淨值	—	—

Particulars of the Group's associate, which is an unlisted corporate entity, as at 31 March 2010 are as follows:

於二零一零年三月三十一日，本集團聯營公司（為非上市公司實體）之詳情如下：

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

18. INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information of the Group's associate for the year ended 31 March 2010 is set out below:

		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Total assets	資產總額	6,492	6,348
Total liabilities	負債總額	(9,949)	(6,663)
Equity	權益	(3,457)	(315)
Turnover	營業額	2,043	2,603
Loss for the year	本年度虧損	(3,142)	(2,666)

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

		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Unrecognised share of losses of the associate for the year	本年度未確認應佔聯營公司虧損	786	78
Accumulated unrecognised share of losses of the associate	累計未確認應佔聯營公司虧損	864	78

18. 於聯營公司權益 (續)

本集團聯營公司截至二零一零年三月三十一日止年度之財務資料概列如下：

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

19. INVENTORIES

(a) Inventories comprise:

		The Group 本集團	
		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Raw materials	原材料	–	–

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

		The Group 本集團	
		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Carrying amount of inventories used	已用存貨之賬面值	–	777
Write down of inventories	撇減存貨	–	297
		–	1,074

19. 存貨

(a) 存貨包括：

		The Group 本集團	
		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Raw materials	原材料	–	–

(b) 確認為開支之存貨金額分析如下：

		The Group 本集團	
		2010 二零一零年 <i>HK\$'000</i> 港幣千元	2009 二零零九年 <i>HK\$'000</i> 港幣千元
Carrying amount of inventories used	已用存貨之賬面值	–	777
Write down of inventories	撇減存貨	–	297
		–	1,074

20. TRADE AND OTHER RECEIVABLES

20. 貿易及其他應收款項

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Notes 附註					
	Trade receivables 貿易應收款項	6,705	4,232	-	-
	Less: allowance for doubtful debts 減：呆壞賬撥備	(2,695)	(2,437)	-	-
(a)		4,010	1,795	-	-
	Other receivables 其他應收款項	434	349	434	-
	Deposits and prepayments 按金及預付款項	4,179	5,696	118	-
		8,623	7,840	552	-

Notes:

(a) Aging analysis

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts of approximately HK\$2,695,000 (2009: approximately HK\$2,437,000), with the following aging analysis based on invoice date as of the end of reporting period:

附註：

(a) 賬齡分析

貿易及其他應收款項包括已扣除呆賬撥備約港幣2,695,000元(二零零九年：約港幣2,437,000元)之貿易應收款項，其於報告期末按發票日期之賬齡分析如下：

		The Group 本集團	
		2010 二零一零年	2009 二零零九年
		HK\$'000 港幣千元	HK\$'000 港幣千元
0 to 30 days	零至30日	1,294	1,592
31 to 60 days	31日至60日	643	203
61 to 120 days	61日至120日	907	-
Over 120 days	120日以上	1,166	-
		4,010	1,795

The average credit period on sale of goods is 30 days from the invoice date.

貨物銷售之平均信貸期為由發票日期起計30日。

20. TRADE AND OTHER RECEIVABLES (Continued) 20. 貿易及其他應收款項 (續)

Notes: (Continued)

(b) Impairment of trade receivables

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

The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

附註：(續)

(b) 貿易應收款項減值

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

於本年度，呆賬撥備之變動（包括個別及共同虧損部分）如下：

		The Group	
		本集團	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	於年初	2,437	4,111
Provision for/(reversal of) impairment losses	減值虧損之撥備／ (撥回)	278	(574)
Uncollectible amounts written off	已撇銷之不可收回款項	(20)	(1,100)
At end of year	於年末	2,695	2,437

As at 31 March 2010, trade receivables of the Group of approximately HK\$2,695,000 (2009: HK\$2,437,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 150 days as at the end of the reporting period and related to customers that were in financial difficulties and management assessed that only a portion of the receivables could be recovered.

於二零一零年三月三十一日，本集團金額約達港幣2,695,000元（二零零九年：港幣2,437,000元）之貿易應收款項已個別釐定為減值及已作出全數撥備。該等個別減值應收款項於報告期末日已逾期未付150日以上，並與出現財務困難之客戶有關，而管理層估計，僅有一部份應收款項可收回。

20. TRADE AND OTHER RECEIVABLES (Continued) 20. 貿易及其他應收款項 (續)

Notes: (Continued)

(c) Trade receivables that are not impaired

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

		The Group	
		本集團	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Neither past due nor impaired	未逾期且未減值	1,294	1,592
Less than 1 month past due	逾期少於一個月	643	203
1 to 3 months past due	逾期一至三個月	907	-
More than 3 months	三個月以上	1,166	-
		2,716	203
		4,010	1,795

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

附註：(續)

(c) 並無減值之貿易應收款項

並無個別及共同被視為將予減值之貿易應收賬款之賬齡分析如下：

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

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cash at bank	銀行庫存現金	5,625	204	-	-
Cash on hand	手頭現金	2	31	-	15
		5,627	235	-	15

22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款項 (附註(a))	7,638	10,878	-	-
Other payables	其他應付款項	14,460	15,891	5,153	4,025
		22,098	26,769	5,153	4,025

22. TRADE AND OTHER PAYABLES (Continued)

Note:

- (a) The following is the aging analysis of trade payables based on invoice date at the end of the reporting period:

		The Group 本集團	
		2010	2009
		二零一零年	二零零九年
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
0 to 30 days	零至30日	1,582	5,151
31 to 90 days	31日至90日	358	201
Over 90 days	90日以上	5,698	5,526
		7,638	10,878

22. 貿易及其他應付款項 (續)

附註:

- (a) 於報告期末按發票日期，貿易應付款項之賬齡分析如下：

23. CURRENT AND DEFERRED TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation

		The Group 本集團		The Company 本公司	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元	港幣千元	港幣千元
Provision for prior years	過往年度撥備				
- Hong Kong profits tax	- 香港利得稅	12,090	12,274	-	184

23. 於財務狀況表所列之即期及遞延稅項

(a) 即期稅項

23. CURRENT AND DEFERRED TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax liabilities

The components of deferred tax liabilities recognised in the statements of financial position and the movements during the current and prior years are as follows:

The Group

23. 於財務狀況表所列之即期及遞延稅項 (續)

(b) 遞延稅項負債

已在財務狀況表內確認之遞延稅項負債之組成部份及本年度及過往年度變動如下：

本集團

		Convertible note 可換股票據 HK\$'000 港幣千元
At 1 April 2008	於二零零八年四月一日	3,928
Credit to consolidated statement of comprehensive income for the year (Note 11(a))	本年度轉撥往綜合全面收益表 (附註11(a))	<u>(1,580)</u>
At 31 March 2009 and at 1 April 2009	於二零零九年三月三十一日及於二零零九年四月一日	2,348
Credit to consolidated statement of comprehensive income for the year (Note 11(a))	本年度轉撥往綜合全面收益表 (附註11(a))	<u>(2,339)</u>
At 31 March 2010	於二零一零年三月三十一日	<u>9</u>

23. CURRENT AND DEFERRED TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax liabilities (Continued)

The Company

		Convertible note 可換股票據 HK\$'000 港幣千元
At 1 April 2008	於二零零八年四月一日	3,928
Credit to statement of comprehensive income for the year	本年度轉撥往 全面收益表	<u>(1,580)</u>
At 31 March 2009 and at 1 April 2009	於二零零九年三月三十一日及 於二零零九年四月一日	2,348
Credit to statement of comprehensive income for the year	本年度轉撥往 全面收益表	<u>(2,339)</u>
At 31 March 2010	於二零一零年三月三十一日	<u>9</u>

(c) Deferred tax assets not recognised

At the end of reporting period, the Group and the Company had unused tax losses of approximately HK\$913,433,000 (2009: HK\$863,585,000) and HK\$2,682,000 (2009: HK\$2,682,000) available for offset against future profits that may be carried forward indefinitely, respectively. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. There is no other significant unrecognised deferred tax as at 31 March 2010 and 2009.

23. 於財務狀況表所列之即期及遞延稅項 (續)

(b) 遞延稅項負債 (續)

本公司

		Convertible note 可換股票據 HK\$'000 港幣千元
於二零零八年四月一日		3,928
本年度轉撥往 全面收益表		<u>(1,580)</u>
於二零零九年三月三十一日及 於二零零九年四月一日		2,348
本年度轉撥往 全面收益表		<u>(2,339)</u>
於二零一零年三月三十一日		<u>9</u>

(c) 未確認遞延稅項資產

於報告期末，本集團及本公司有未動用稅務虧損分別為約港幣913,433,000元（二零零九年：港幣863,585,000元）及港幣2,682,000元（二零零九年：港幣2,682,000元），可用以抵銷未來溢利，並可以無限期地結轉。因未能預測未來溢利走勢，故未就該等稅務虧損確認遞延稅項資產。於二零一零年及二零零九年三月三十一日，概無其他重大未確認遞延稅項。

24. BORROWINGS

(a) Borrowings

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loans from a shareholder, unsecured (Note (i))	自一名股東之無抵押貸款 (附註(i))	909	909	909	909
Loans from related companies, unsecured (Note (ii))	自關連公司之無抵押貸款 (附註(ii))	6,266	7,464	6,266	6,047
Loans from third parties, unsecured (Note (iii))	自第三方之無抵押貸款 (附註(iii))	360,656	289,257	308,407	239,694
		367,831	297,630	315,582	246,650
Analysed as:	分析為:				
Current	流動	71,736	60,218	62,692	50,925
Non-current	非流動	296,095	237,412	252,890	195,725
		367,831	297,630	315,582	246,650

Notes:

(i) The amount represents loans granted by Strategic Media, a substantial shareholder of the Company. The amount is unsecured, interest-free and repayable on demand. As at the end of the reporting period, the balance was in dispute with the shareholder (Note 24(b)).

附註:

(i) 該款項指本公司主要股東 Strategic Media 授予之貸款。該款項為無抵押、且屬免息及按要求償還。於報告期末，本公司就有關結餘與該股東產生糾紛 (附註24(b))。

24. BORROWINGS (Continued)

(a) Borrowings (Continued)

Notes: (Continued)

- (ii) The amounts represent the loans granted by companies owned by Strategic Media. The amounts are unsecured, bearing interest at Hong Kong prime interest rate per annum and are repayable on the expiry of 30 calendar months after the year end of the first profitable financial year of the Company since 24 January 2003 but no later than the twentieth anniversary of 24 January 2003. The loans were classified under non-current liabilities as at 31 March 2010. As at the end of the reporting period, the balances were in dispute with the related companies (Note 24(b)).
- (iii) On 23 April 2008, the Company, Strategic Media and Billion Wealth Group Limited ("Billion Wealth"), an independent third party, entered into a loan agreement to provide to the Company, by Billion Wealth, a loan facility of not exceeding HK\$60,000,000 which was fully utilised (2009: utilised in the amount of approximately HK\$45,250,000) by the Group as at the end of the reporting period. The loan was interest-free and repayable on the expiry of 24 months from the date on which the loan is made or any other later date as may be mutually agreed in writing by the Company and Billion Wealth.

24. 借貸 (續)

(a) 借貸 (續)

附註：(續)

- (ii) 該款項指Strategic Media擁有之公司授予之貸款。該款項為無抵押、按港元最優惠年利率計息及須由本公司二零零三年一月二十四日起首個獲利財政年度年結後30個曆月屆滿時償還，惟付款日最遲為二零零三年一月二十四日起計二十週年當日。該貸款於二零一零年三月三十一日分類為非流動負債。於報告期末，本公司就有關結餘與彼等關連公司產生糾紛(附註24(b))。
- (iii) 於二零零八年四月二十三日，本公司、Strategic Media及一名獨立第三方Billion Wealth Group Limited(「Billion Wealth」)訂立一項貸款協議，由Billion Wealth向本公司提供一筆不超過港幣60,000,000元之貸款融資，該貸款融資於報告期末已由本集團悉數動用(二零零九年：已動用約港幣45,250,000元)。該貸款為免息並須於貸款授予當日起計24個月屆滿時或按本公司與Billion Wealth可能相互書面協定之任何其他較後日期償還。

24. BORROWINGS (Continued)

(a) Borrowings (Continued)

Notes: (Continued)

(iii) (Continued)

The loan facility granted by Billion Wealth is pledged by assets of Strategic Media as follows:

- 261,473,945 ordinary shares of the Company held by Strategic Media;
- the assignment by Strategic Media to Billion Wealth of all of the rights, title and benefits in the shareholder's loan of approximately HK\$91,190,000 due to Strategic Media by the Company (the "Assigned Loan"); and
- the assignment by Strategic Media to Billion Wealth of all of the rights, title and benefits in the convertible note issued by the Company to Strategic Media.

As at 31 March 2010, the Assigned Loan with its interests generated, in aggregate, amounted to approximately HK\$117,532,000 (2009: approximately HK\$112,060,000) for the Group and the Company. As at the end of the reporting period, the Assigned Loan, which is unsecured, interest bearing at Hong Kong prime rate plus 1% per annum and is not repayable within one year was assigned from Strategic Media to Billion Wealth.

24. 借貸 (續)

(a) 借貸 (續)

附註: (續)

(iii) (續)

Billion Wealth授予之貸款融資由Strategic Media下列各項資產作抵押:

- Strategic Media持有本公司之261,473,945股普通股;
- Strategic Media向Billion Wealth轉讓本公司應付Strategic Media之股東貸款約港幣91,190,000元(「已轉讓貸款」)之一切權利、所有權及利益;及
- Strategic Media向Billion Wealth轉讓本公司向Strategic Media發行可換股票據之一切權利、所有權及利益。

於二零一零年三月三十一日,已轉讓貸款連同其利息為本集團及本公司產生合共約港幣117,532,000元(二零零九年:約港幣112,060,000元)。於報告期末,已轉讓貸款已由Strategic Media轉讓予Billion Wealth。該貸款為無抵押、按港元最優惠年利率加1厘計息,且毋須於一年內償還。

24. BORROWINGS (Continued)

(a) Borrowings (Continued)

Notes: (Continued)

(iii) (Continued)

On 20 May 2009, Billion Wealth further entered into a loan agreement to provide the Company a loan facility of HK\$50,000,000. As at the end of the reporting period, the loan facility in the amount of approximately HK\$41,551,000 was utilised by the Group and the Company. The loan is interest-free and repayable on the date falling upon the resumption in the shares of the Company. The loan was classified under non-current liabilities as at 31 March 2010.

Resulting in the initial recognition of the interest-free borrowing facilities of HK\$60,000,000 and approximately HK\$41,551,000, an imputed interest income of approximately HK\$6,000,000 was credited to the consolidated statement of comprehensive income of the Group and the Company on the interest-free loan facilities granted by Billion Wealth for the year ended 31 March 2010.

The amount also comprises loans granted by the former shareholders and their subsidiaries of approximately HK\$76,746,000 and HK\$33,541,000 (2009: approximately HK\$72,638,000 and HK\$32,368,000) to the Group and the Company respectively. The loans are unsecured, bearing interest at Hong Kong prime interest rate per annum and are repayable on the expiry of 30 calendar months after the year end of the first profitable financial year of the Company since 24 January 2003 but no later than the twentieth anniversary of 24 January 2003. During the year, amounts of approximately HK\$57,185,000 and HK\$26,538,000 out of the above loans due by the Group and the Company were assigned to Billion Wealth. The loans were classified under non-current liabilities as at 31 March 2010.

24. 借貸 (續)

(a) 借貸 (續)

附註：(續)

(iii) (續)

於二零零九年五月二十日，Billion Wealth進一步訂立貸款協議，以向本公司提供貸款融資港幣50,000,000元。於報告期末，為數約港幣41,551,000元之貸款融資經已由本集團及本公司動用。該貸款為免息及須於本公司股份恢復買賣之日期償還。貸款於二零一零年三月三十一日分類為非流動負債。

因初步確認免息借貸融資港幣60,000,000元及約港幣41,551,000元，於截至二零一零年三月三十一日止年度，Billion Wealth所授予之免息貸款融資之推算利息收入約港幣6,000,000元計入本集團及本公司綜合全面收益表中。

該款項亦包括前股東及彼等之附屬公司分別向本集團及本公司分別授予之貸款約港幣76,746,000元及港幣33,541,000元（二零零九年：約港幣72,638,000元及港幣32,368,000元）。該等貸款為無抵押、按港元最優惠年利率計息及須由二零零三年一月二十四日起本公司首個獲利財政年度年結後30個曆月屆滿時償還，惟付款日最遲為二零零三年一月二十四日起計二十週年當日。年內，本集團及本公司應償付之上述貸款中之約港幣57,185,000元及港幣26,538,000元已轉讓予Billion Wealth。該等貸款於二零一零年三月三十一日分類為非流動負債。

24. BORROWINGS (Continued)

(a) Borrowings (Continued)

Notes: (Continued)

(iii) (Continued)

The remaining amounts of approximately HK\$70,827,000 and HK\$61,783,000 (2009: approximately HK\$59,309,000 and HK\$50,016,000) due by the Group and the Company are unsecured, interest-free and repayable within one year from the end of reporting period or on demand except for amounts of approximately HK\$47,120,000 (2009: approximately HK\$35,353,000) due by the Group and the Company which bear interest at the rates ranging from 0.5% to 24.0% per annum (2009: ranging from 12.0% to 36.0% per annum) borrowed from independent third parties.

As at the end of reporting period, certain of the above balances were in dispute with the respective parties (Note 24(b)).

(b) Borrowings under dispute

Included in the borrowings as at the end of the reporting period were certain loan balances under dispute by the Group with various parties. The directors are of the opinion that several transactions with the counterparties did not have formal agreements nor were there evidence of such arrangement. Further, even when there were formal agreements, the services to be provided by those counterparties under those arrangements were never provided. The Company has instructed a legal advisor to handle the legal aspect of the dispute.

The Group and the Company accrued interest expenses of approximately HK\$277,000 and HK\$219,000 (2009: approximately HK\$2,346,000 and HK\$1,182,000) and included in the finance costs of the Group and the Company for the year ended 31 March 2010 respectively. Despite the borrowings from above are under dispute as at the reporting date, interest expenses were charged based on the amounts due and the applicable interest rates.

24. 借貸 (續)

(a) 借貸 (續)

附註: (續)

(iii) (續)

本集團及本公司應償付之剩餘款項約港幣70,827,000元及港幣61,783,000元(二零零九年:約港幣59,309,000元及港幣50,016,000元)為無抵押、免息及須於報告期末起一年內或按要求償還,除從獨立第三方借入且本集團及本公司應償付之約港幣47,120,000元(二零零九年:港幣35,353,000元)按年利率0.5厘至24.0厘(二零零九年:年利率12.0厘至36.0厘)計息外。

於報告期末,本公司就上述若干結餘與有關方產生糾紛(附註24(b))。

(b) 產生糾紛之借貸

於報告期末之借貸包括本集團與多方產生糾紛之若干貸款結餘。董事認為,與交易對方進行之多項交易並無訂立正式協議亦無證據證明有關安排。此外,即使訂有正式協議,該等交易對方根據該等協議應提供之服務亦未有提供。本公司已要求法律顧問處理有關糾紛之法律事宜。

於截至二零一零年三月三十一日止年度,本集團及本公司分別之應計利息開支約港幣277,000元及港幣219,000元(二零零九年:約港幣2,346,000元及港幣1,182,000元)及計入本集團及本公司財務成本。儘管上述借貸於報告日期仍存在糾紛,惟已按到期款項及適用利率扣除利息開支。

24. BORROWINGS (Continued)

(b) Borrowings under dispute (Continued)

An analysis of the borrowings under dispute is as follows:

24. 借貸 (續)

(b) 產生糾紛之借貸 (續)

產生糾紛之借貸之分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loans from a substantial shareholder, unsecured	自一名主要股東之無抵押貸款	909	909	909	909
Loans from related companies, unsecured	自關連公司之無抵押貸款	6,266	7,464	6,266	6,047
Loans from third parties, unsecured	自第三方之無抵押貸款	15,915	69,625	6,516	32,126
		23,090	77,998	13,691	39,082
Analysed as:	分析為：				
Current	流動	15,349	15,349	7,425	7,425
Non-current	非流動	7,741	62,649	6,266	31,657
		23,090	77,998	13,691	39,082

During the year, disputed loans from a former shareholder of approximately HK\$57,185,000 were assigned to Billion Wealth as further detailed in Note 24 (a)(iii).

年內，自前股東之牽涉糾紛貸款約為港幣57,185,000元已轉讓予Billion Wealth，進一步詳情載於附註24(a)(iii)。

25. CONVERTIBLE NOTE

Pursuant to a subscription agreement dated 3 February 2005, a convertible note (the "Note") with principal amount of HK\$50,000,000 was issued to Strategic Media, a substantial shareholder of the Company, on 30 April 2005 which expired on 29 April 2007. Holder of the Note has the right at any time to convert all or part of the Note into shares of the Company at the conversion price of HK\$0.05 per share, subject to adjustment. The coupon interest rate on the Note is 1.5% per annum on the principal amount. Interest is payable by the Company once every six months in arrears so as to produce a constant periodic rate of charge for each accounting period.

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

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

25. 可換股票據

根據於二零零五年二月三日訂立之認購協議，本金額為港幣50,000,000元之可換股票據（「票據」）於二零零五年四月三十日發行予本公司之主要股東Strategic Media，並於二零零七年四月二十九日屆滿。票據持有人有權隨時以每股股份港幣0.05元之換股價（可予調整）將全部或部份票據轉換為本公司股份。票據之票面利息為按本金額以年利率1.5厘計算。利息由本公司每六個月支付一次，以便在每個會計期間內，產生穩定之定期費用。

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

於二零零五年五月十三日，根據票據之條件第11條，本公司被視為違約，原因有二：(i)本公司股份連續十個營業日（創業板於所有該等日期一般均可進行買賣）以上暫停於創業板買賣；及(ii)本公司未支付票據持有人應計利息。然而，票據持有人已同意放棄其發出通知要求立即償還票據本金額、根據票據之條件第11(a)(2)條有關股份在創業板連續暫停買賣股份之應計利息及根據票據之條件第11(f)條因本公司未能支付票據持有人票據之條件第3.1條項下之票據發行日期至屆滿日期之應計利息及應付利息而須支付之應計利息之全部權利。

25. CONVERTIBLE NOTE (Continued)

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

On 19 November 2007, the Note-holder exercised its discretion to extend the maturity date of the Note from 29 April 2007 to 31 March 2009. On 31 March 2008, the Note-holder further extended the maturity date of the Note to 30 April 2010.

As further detailed in Note 24(a)(iii), all of the rights, title and benefits in the Note issued by the Company were assigned to Billion Wealth in the prior years.

During the year, the Note with principal amount of HK\$48,000,000 have been converted into 960,000,000 ordinary shares of the Company (Note 26). Subsequent to 31 March 2010, the remaining Note with principal amount of HK\$1,000,000 has been converted into 20,000,000 ordinary shares of the Company and the remaining balance of HK\$1,000,000 had not been converted upto its expiry date on 30 April 2010.

25. 可換股票據 (續)

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

於二零零七年十一月十九日，票據持有人行使其酌情權，將票據屆滿日期由二零零七年四月二十九日延遲至二零零九年三月三十一日。於二零零八年三月三十一日，票據持有人進一步將票據屆滿日期延遲至二零一零年四月三十日。

本公司於上年度向Billion Wealth轉讓其已發行票據之一切權利、所有權及利益（進一步詳情載於附註24(a)(iii)）。

年內，本金額為港幣48,000,000元之票據已轉換為960,000,000股本公司普通股（附註26）。於二零一零年三月三十一日後，本金額為港幣1,000,000元之餘下票據已轉換為20,000,000股本公司普通股，而港幣1,000,000元之餘下票據則直至屆滿日期二零一零年四月三十日仍無予以轉換。

25. CONVERTIBLE NOTE (Continued)

The movements of the liability component of the Note for the year are as follows:

Liability component at beginning of year	於年初之負債部份
Interest charge (Note 9)	利息開支(附註9)
Conversion into ordinary shares of the Company	轉換為本公司普通股
Liability component at end of year, current portion	於年末之負債部份, 流動部份

Interest expense on the Note is calculated using the effective interest method by applying the effective interest rate of 19.6% per annum from the issue date to 13 May 2005, 28.5% per annum from 14 May 2005 to 29 April 2007, 28.0% per annum from 30 April 2007 to 31 March 2008 and 34.8% per annum from 1 April 2008 to 30 April 2010 for the liability component.

25. 可換股票據(續)

票據負債部份於本年度之變動如下:

The Group and Company

本集團及本公司

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
港幣千元	港幣千元

37,131	27,552
7,813	9,579
(43,030)	—
1,914	37,131

票據於發行日期至二零零五年五月十三日之利息開支採用實際利率法按實際年利率19.6%計算, 而二零零五年五月十四日至二零零七年四月二十九日、於二零零七年四月三十日至二零零八年三月三十一日及二零零八年四月一日至二零一零年四月三十日負債部份之利息則分別採用實際年利率28.5%、28.0%及34.8%計算。

26. SHARE CAPITAL

26. 股本

		2010 二零一零年		2009 二零零九年	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each	每股面值港幣0.05元之 普通股	4,000,000	200,000	4,000,000	200,000
Ordinary shares, issued and fully paid:	已發行及繳足 普通股：				
At 1 April 2008 and 31 March 2009	於二零零八年四月一日及 二零零九年三月三十一日	991,686	49,584	991,686	49,584
Conversion of convertible note (Note 25)	轉換可換股票據 (附註25)	960,000	48,000	-	-
At 31 March 2010	於二零一零年三月三十一日	1,951,686	97,584	991,686	49,584

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

Subsequent to 31 March 2010, 20,000,000 ordinary shares of the Company were issued as a result of partial conversion of convertible note by a note-holder (Note 35(a)).

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

於二零一零年三月三十一日後，20,000,000股本公司普通股因票據持有人部份轉換可換股票據而予以發行(附註35(a))。

27. RESERVES

(a) 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.

(b) The Company

27. 儲備

(a) 本集團

本集團於本年度及過往年度之儲備金額及其變動情況載列於綜合權益變動表。

(b) 本公司

		Attributable to owners of the Company 本公司擁有人應佔						
		Share premium	Convertible note equity reserve 可換股票據 權益儲備	Shareholders' contributions 股東出資	Distributable reserve 可供分派儲備	Contributed surplus 繳入盈餘	Accumulated losses 累積虧損	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April 2008	於二零零八年四月一日	127,764	18,520	49,087	231,340	5,589	(697,828)	(265,528)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	(74,379)	(74,379)
Deconsolidation of subsidiaries	終止綜合附屬公司賬目	-	-	-	-	(5,589)	5,589	-
At 31 March 2009 and at 1 April 2009	於二零零九年三月三十一日及二零零九年四月一日	127,764	18,520	49,087	231,340	-	(766,618)	(339,907)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	(76,632)	(76,632)
Conversion of convertible note	轉換可換股票據	12,809	(17,779)	-	-	-	-	(4,970)
At 31 March 2010	於二零一零年三月三十一日	140,573	741	49,087	231,340	-	(843,250)	(421,509)

27. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium

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

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

(ii) Convertible note equity reserve

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

(iii) Shareholders' contribution

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

27. 儲備 (續)

(c) 儲備性質及用途

(i) 股份溢價

股份溢價賬之應用受開曼群島公司法監管。

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

(ii) 可換股票據權益儲備

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

(iii) 股東出資

股東出資指於截至二零零三年三月三十一日止年度內豁免來自股東之貸款。

27. RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(iv) Merger reserve

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

(v) Exchange reserve

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

(vi) Distributable reserve

Distributable reserve represents the surplus arising from cancellation of paid-up capital upon the reduction of the nominal value of every issued share from HK\$0.1000 to HK\$0.0025 during the year ended 31 March 2003.

(vii) Contributed surplus

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

27. 儲備 (續)

(c) 儲備性質及用途 (續)

(iv) 合併儲備

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

(v) 匯兌儲備

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

(vi) 可供分派儲備

可供分派儲備指於截至二零零三年三月三十一日止年度將每股已發行股份之面值由港幣0.1000元削減至港幣0.0025元而註銷繳足股本所產生之盈餘。

(vii) 繳入盈餘

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

27. RESERVES (Continued)

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the ratio, the Group may issue new shares, raise new debt financing or sell assets to reduce existing debt. The Group may also obtain loan facilities from various parties to safeguard the Group's ability to continue as a going concern.

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

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

The net debt to equity ratio did not apply as at 31 March 2010 and 2009 as the Group had total deficit for both years.

27. 儲備 (續)

(d) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，從而繼續為股東提供回報及為其他權益持有人提供利益，並維持最佳之資本結構以減低資金成本。

為維持或調整比率，本集團可發行新股、籌集新債務融資或出售資產以減少現有債務。本集團亦可從不同有關方取得貸款融資，以保障本集團之持續經營能力。

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

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

於二零一零年及二零零九年三月三十一日並無應用債務淨額對權益比率，此乃由於本集團於該兩個年度均錄得虧絀總額。

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transaction

In the prior year, an amount due to a substantial shareholder of HK\$91,190,000 was transferred to a loan from a third party in connection with the loan facility granted by Billion Wealth as further detailed in Note 24(a)(iii).

29. OPERATING LEASE COMMITMENTS

The Group leases certain of its office premises, motor vehicles and machineries under operating lease arrangements.

At 31 March 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	4,975	6,145
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	4,571	2,966
		9,546	9,111

Operating lease payments represent rentals payable by the Group for certain of its workshop, office premise, machinery and motor vehicles. Leases are negotiated for an average term of three years and rentals are fixed throughout the respective lease periods.

28. 綜合現金流量表附註

主要非現金交易

於上年度，應付一名主要股東款項為數港幣91,190,000元已被轉讓至一名第三方貸款，以取得由 Billion Wealth 授出之貸款融資，進一步詳情載於附註24(a)(iii)。

29. 經營租賃承擔

本集團根據經營租賃承擔租賃若干辦公室物業、汽車及機器。

於二零一零年三月三十一日，根據不可撤銷之經營租賃應付之未來最低租賃款項總額如下：

經營租賃款項指本集團就其若干廠房、辦公室物業、機器及汽車應付之租金。經磋商釐定之租約年期平均為三年，各個租約期內租金固定。

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

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

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

No share option was outstanding at 31 March 2010 and 2009.

30. 權益結算以股份為基礎之交易

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

年內本公司並無根據購股權計劃授出任何購股權。

於二零一零年及二零零九年三月三十一日概無購股權尚未行使。

31. RETIREMENT BENEFITS SCHEME

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

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

The total cost charged to consolidated statement of comprehensive income of approximately HK\$1,260,000 (2009: approximately HK\$933,000) (*Note 10*) represents contribution payable to these schemes by the Group in respect of the current accounting period.

31. 退休福利計劃

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

除上文所述之供款外，本集團並無其他責任支付退休後福利。

於綜合全面收益表扣除之費用總額約為港幣1,260,000元（二零零九年：約港幣933,000元）（*附註10*）乃指本會計期間本集團向該等計劃應付之供款。

32. CONTINGENT LIABILITIES

During the year ended 31 March 2010 and 2009, the Group and the Company have the following material litigations:

There were several cases brought forward from prior years related to defamation and infringement of copyright that remained unresolved. All of them were brought against Sing Pao Newspaper Company Limited ("SPNCL"), a wholly-owned subsidiary of the Company. Court judgments have not been stated and the amounts claimed were in aggregate approximately HK\$517,000 (2009: HK\$517,000). In the directors' opinion, the liabilities are unlikely to crystallise and no provision has therefore been made in respect of these claims as at 31 March 2010 and 2009.

In July 2007, a licensee of SPNCL acts as the defendant in a legal claim in relation to an action for copyright infringement, issued a third party notice to SPNCL. The defendant claimed against SPNCL for indemnity against the plaintiff's claims and the cost of the action or contribution in respect of the plaintiff's claims. A defence was filed by the Group in March 2008 denying all allegations against the Group. Judgments have not been stated up to the date of this report. In the directors' opinion, the liabilities are unlikely to crystallize and no provision had therefore been made in respect of the claim.

32. 或然負債

截至二零一零年及二零零九年三月三十一日止年度，本集團及本公司之重大訴訟如下：

過往年度提出之若干誹謗侵犯版權案件仍有待解決。所有該等案件均針對本公司之全資附屬公司成報報刊有限公司（「成報報刊公司」）提出。法庭判決尚未裁定，而索償總金額約為港幣517,000元（二零零九年：港幣517,000元）。董事認為，負債未必明確化，因此，於二零一零年及二零零九年三月三十一日，毋須就此等申索作出撥備。

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

33. RELATED PARTY TRANSACTIONS

33. 關連人士交易

Name of related parties 關連人士名稱	Relationship 關係
Strategic Media Strategic Media	A substantial shareholder of the Company 本公司之主要股東
SMI Corporation Limited ("SMI Corporation") 星美國際集團有限公司 (「星美國際集團」)	Strategic Media is a common shareholder of SMI Corporation and the Company Strategic Media為星美國際集團及本公司之共同股東

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

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

		The Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest expenses on loan from SMI Corporation	自星美國際集團之貸款之利息開支	219	226
Interest expenses on loan from Strategic Media	自Strategic Media之貸款之利息開支	-	320
Interest expenses on loan from Star East Management Limited	自東方魅力管理有限公司之貸款之利息開支	-	59

(b) Key management personnel remuneration

Remuneration for key management personnel, included amounts paid to the Company's directors as disclosed in Note 12 and certain of the highest paid employees as disclosed in Note 13.

(b) 主要管理人員酬金

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Credit risk

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

34. 金融風險管理目標及政策

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

(a) 信貸風險

- (i) 就貿易及其他應收款項而言，為減低風險，管理層已設立信貸政策，持續監察該等信貸風險，並定期就每名主要客戶財務狀況及條件進行信貸評估。該等評估集中於客戶過往支付到期款項之記錄及現時之付款能力，並考慮到客戶之特定賬戶資料及客戶經營所在地區之經濟環境。本集團毋須就其財務資產持有抵押品。債務一般於發票日期起計三十至六十日內到期。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

- (ii) In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At 31 March 2010, the Group had certain concentration of credit risk as approximately 18% (2009: 11%) and 6% (2009: 29%) of the total trade and other receivables was due from a major customer and a business partner, respectively.

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

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 20.

34. 金融風險管理目標及政策 (續)

(a) 信貸風險 (續)

- (ii) 就貿易應收款項而言，本集團承擔之信貸風險主要受各客戶之不同情況所影響。於二零一零年三月三十一日，由於應收主要客戶及業務夥伴之租金按金及本公司主要股東之款項分別為貿易及其他應收款項總額約18%（二零零九年：11%）及6%（二零零九年：29%），故本集團具有若干信貸風險集中情況。

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

有關本集團因貿易及其他應收款項而承擔之信貸風險之進一步定量披露載於附註20。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on borrowings as a significant source of liquidity. As at 31 March 2010, the Group had undrawn loan facilities available from Billion Wealth of approximately HK\$8,449,000 (2009: HK\$14,750,000), respectively. The directors plan to seek financial support from Billion Wealth to provide adequate funds for the Group to meet its liabilities as they fall due, both present and future.

34. 金融風險管理目標及政策 (續)

(b) 流動資金風險

本集團內個別營運實體負責其各自之現金管理，包括現金盈餘之短期投資及須待董事局批准之借貸以應付預期之現金需求。本集團之政策為定期監察其現時及預期流動資金需求及是否符合借款之承諾，以確保其能維持足夠之現金及有足夠之由主要金融機構提供之融資額度以應付其短期及長期之流動資金需求。本集團依賴借貸作為流動資金主要來源。於二零一零年三月三十一日，本集團可自Billion Wealth獲取之尚未動用貸款融資約為港幣8,449,000元（二零零九年：港幣14,750,000元）。董事計劃向Billion Wealth尋求財務支持，提供充足之資金予本集團以應付其於現在及未來到期之負債。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

The following liquidity table set out the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the Group and the Company is required to pay:

The Group

		2010 二零一零年					2009 二零零九年						
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	
		一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	賬面值	
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Borrowings	借貸	74,484	224,884	-	120,312	419,680	367,831	60,766	157,310	-	120,320	338,396	297,630
Convertible note	可換股票據	2,000	-	-	-	2,000	1,914	50,000	-	-	-	50,000	37,131
Trade and other payables	貿易及其他應付款項	22,098	-	-	-	22,098	22,098	26,769	-	-	-	26,769	26,769
		98,582	224,884	-	120,312	443,778	391,843	137,535	157,310	-	120,320	415,165	361,530

The Company

		2010 二零一零年					2009 二零零九年						
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	
		一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	賬面值	
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Borrowings	借貸	65,439	224,884	-	57,657	347,980	315,582	51,472	157,310	-	57,660	266,442	246,650
Convertible note	可換股票據	2,000	-	-	-	2,000	1,914	50,000	-	-	-	50,000	37,131
Due to a subsidiary	應付附屬公司款項	1,819	-	-	-	1,819	1,819	-	-	-	-	-	-
Other payables	其他應付款項	5,153	-	-	-	5,153	5,153	4,025	-	-	-	4,025	4,025
		74,411	224,884	-	57,657	356,952	324,468	105,497	157,310	-	57,660	320,467	287,806

34. 金融風險管理目標及政策 (續)

(b) 流動資金風險 (續)

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

本集團

		2010 二零一零年					2009 二零零九年						
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	
		一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	賬面值	
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Borrowings	借貸	74,484	224,884	-	120,312	419,680	367,831	60,766	157,310	-	120,320	338,396	297,630
Convertible note	可換股票據	2,000	-	-	-	2,000	1,914	50,000	-	-	-	50,000	37,131
Trade and other payables	貿易及其他應付款項	22,098	-	-	-	22,098	22,098	26,769	-	-	-	26,769	26,769
		98,582	224,884	-	120,312	443,778	391,843	137,535	157,310	-	120,320	415,165	361,530

本公司

		2010 二零一零年					2009 二零零九年						
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flows 合約未貼現 現金流量 總額	Carrying amount	
		一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	一年內或 按要求	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	賬面值	賬面值	
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Borrowings	借貸	65,439	224,884	-	57,657	347,980	315,582	51,472	157,310	-	57,660	266,442	246,650
Convertible note	可換股票據	2,000	-	-	-	2,000	1,914	50,000	-	-	-	50,000	37,131
Due to a subsidiary	應付附屬公司款項	1,819	-	-	-	1,819	1,819	-	-	-	-	-	-
Other payables	其他應付款項	5,153	-	-	-	5,153	5,153	4,025	-	-	-	4,025	4,025
		74,411	224,884	-	57,657	356,952	324,468	105,497	157,310	-	57,660	320,467	287,806

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk

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

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

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

34. 金融風險管理目標及政策 (續)

(c) 利率風險

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

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

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

34. 金融風險管理目標及政策 (續)

(c) Interest rate risk (Continued)

(c) 利率風險 (續)

(i) Interest rate profile

(i) 利率概況

The following table details the interest rate profile of the Group's borrowings at the end of reporting period:

下表詳列本集團於報告期末借貸之利率概況：

		The Group 本集團			
		2010 二零一零年		2009 二零零九年	
		Effective interest rates 實際利率 %	HK\$'000 港幣千元	Effective interest rates 實際利率 %	HK\$'000 港幣千元
Fixed rate borrowings:	固定利率借貸：				
Borrowings	借貸	0.5-24	47,120	12-36	35,602
Convertible note	可換股票據	34.8	1,914	34.8	37,131
			49,034		72,733
Variable rate borrowings:	變動利率借貸：				
Borrowings	借貸	5-6	200,544	5-6.3	171,300
Total borrowings	借貸總額		249,578		244,033
Fixed rate borrowings as a percentage of total net borrowings	固定利率借貸佔總借貸淨額之百分比		20%		30%

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile (Continued)

34. 金融風險管理目標及政策 (續)

(c) 利率風險 (續)

(i) 利率概況 (續)

		The Company 本公司			
		2010 二零一零年		2009 二零零九年	
		Effective interest rates 實際利率 %	HK\$'000 港幣千元	Effective interest rates 實際利率 %	HK\$'000 港幣千元
Fixed rate borrowings:	固定利率借貸：				
Borrowings	借貸	0.5-24	47,120	12-36	35,353
Convertible note	可換股票據	34.8	1,914	34.8	37,131
			<u>49,034</u>		<u>72,484</u>
Variable rate borrowings:	變動利率借貸：				
Borrowings	借貸	5-6	157,339	5-6.3	129,605
Total borrowings	借貸總額		<u>206,373</u>		<u>202,089</u>
Fixed rate borrowings as a percentage of total net borrowings	固定利率借貸佔總借貸淨額之百分比		24%		36%

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 March 2010, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss after tax and accumulated losses by approximately HK\$797,000 (2009: HK\$746,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for non-derivative financial liabilities in existence at that date. The 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2009.

(d) Currency risk

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

34. 金融風險管理目標及政策 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零一零年三月三十一日，估計利率一般上升／下降50個基點而所有其他變數保持不變，則本集團之除稅後虧損及累積虧損將會增加／減少約港幣797,000元（二零零九年：港幣746,000元）。

上述敏感度分析乃假設利率變動於報告日期發生，並將利率變動應用於當天存在之非衍生財務負債之利率風險上而釐定。50個基點之增減指管理層對期內至下個年度報告日期利率合理可能變動之評估。二零零九年之分析乃以相同基準進行。

(d) 貨幣風險

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Fair value

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

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

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2010 and 2009.

34. 金融風險管理目標及政策 (續)

(e) 公允價值

財務資產及財務負債之公允價值乃根據下列各項釐定：

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

於二零一零年及二零零九年三月三十一日，所有金融工具之列賬金額與其公允價值並無重大差異。

35. POST BALANCE SHEET EVENTS

- (a) Subsequent to the end of the reporting period, and up to the date of expiry of the Note on 30 April 2010, part of the convertible note of nominal values of HK\$1,000,000 were converted by a note-holder at the conversion price of HK\$0.05 per share, resulted in the issue of, in aggregate, 20,000,000 new ordinary shares of the Company.
- (b) On 12 May 2010, 261,473,945 ordinary shares of the Company, which was originally held by Strategic Media and pledged to Billion Wealth for loan facilities of HK\$60,000,000, were taken over by Billion Wealth. Billion Wealth was then a substantial shareholder of the Company.

35. 結算日後事項

- (a) 於報告期末後及截至票據屆滿日期二零一零年四月三十日，部分面值為港幣1,000,000元之可換股票據由一名票據持有人以轉換價每股港幣0.05元轉換，因此，本公司發行新普通股合共20,000,000股。
- (b) 於二零一零年五月十二日，261,473,945股本公司普通股（原本由Strategic Media持有及已就港幣60,000,000元之貸款融資抵押予Billion Wealth）已由Billion Wealth接管。Billion Wealth當時為本公司之主要股東。

Five Year Financial Summary For the year ended 31 March 2010

五年財務摘要 截至二零一零年三月三十一日止年度

RESULTS

業績

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

		2006	2007	2008	2009	2010
		二零零六年	二零零七年	二零零八年	二零零九年	二零一零年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Turnover	營業額	84,051	67,754	48,558	31,490	35,108
Cost of sales	銷售成本	(129,331)	(101,356)	(69,022)	(51,281)	(55,060)
Gross loss	毛損	(45,280)	(33,602)	(20,464)	(19,791)	(19,952)
Other revenue and other net gains	其他收入及淨收益	3,685	3,067	37,387	2,334	8,401
Distribution costs	發行成本	(2,691)	(2,162)	(617)	(518)	(10,788)
Administrative and other operating expenses	行政及其他營運開支	(40,635)	(37,062)	(39,148)	(22,791)	(23,022)
Impairment losses recognised, net	已確認減值虧損淨額	(828)	(1,788)	(2,172)	-	-
Gain on disposal of subsidiaries	出售附屬公司收益	-	576	-	-	-
(Loss)/gain on deconsolidation of a subsidiary	附屬公司終止綜合入賬之(虧損)/收益	(9)	2,225	-	-	-
Loss on disposal of available-for-sale investments	出售可供出售投資虧損	-	(232)	-	-	-
Loss from operations	營運虧損	(85,758)	(68,978)	(25,014)	(40,766)	(45,361)
Finance costs	財務成本	(15,733)	(24,213)	(26,413)	(25,274)	(20,721)
Share of results of associates	分佔一間聯營公司業績	(866)	(579)	(138)	-	-
Loss before income tax	除所得稅前虧損	(102,357)	(93,770)	(51,565)	(66,040)	(66,082)
Income tax	所得稅	1,385	(11,075)	900	1,580	2,339
Loss for the year	年度虧損	(100,972)	(104,845)	(50,665)	(64,460)	(63,743)

ASSETS AND LIABILITIES

資產及負債

As at 31 March
於三月三十一日

		2006	2007	2008	2009	2010
		二零零六年	二零零七年	二零零八年	二零零九年	二零一零年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Total assets	資產總額	49,893	32,722	11,422	10,447	17,524
Total liabilities	負債總額	(195,545)	(285,390)	(312,667)	(376,152)	(403,942)
		(145,652)	(252,668)	(301,245)	(365,705)	(386,418)

