Notes to the Accounts

1 GENERAL INFORMATION

ABC Communications (Holdings) Ltd is an investment holding company. Its subsidiaries are principally engaged in providing financial information services, wireless applications development, securities trading system licensing, property and investment holding.

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The immediate holding company and ultimate holding company is H.C.B.C. Enterprises (BVI) Limited, a company incorporated in the British Virgin Islands.

These consolidated financial statements have been approved for issue by the Board of Directors on 14th July 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of ABC Communications (Holdings) Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, building, available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The adoption of new/revised HKFRS

In 2005, the Group had early adopted the HKAS 32 and 39. The equity investments had been redesignated to available-for-sale financial assets and were stated at fair value. Movements in fair value will be charged to investment revaluation reserve and will be realised and charged to income statement upon disposal.

In 2006, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2005 comparatives have been amended as required, in accordance with the relevant requirements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Change in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Change in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 33	Earnings per Share
HKAS 34	Interim Financial Reporting
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 40	Investment Property
HKFRS 3	Business Combinations

The adoption of new/revised HKAS 1, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 33, 34, 36, 37, 40 and HKFRS 3 did not result in substantial changes to the Group's accounting policies. In summary, these HKFRSs affect certain presentation and disclosures in the consolidated financial statements.

The adoption of revised HKAS 17 has resulted in a change in accounting policy relating to reclassification of land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at fair value or cost less accumulated depreciation and accumulated impairment. Certain comparative figures in the consolidated financial statements have been restated or reclassified to conform to current presentation are set out in the following table.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

The adoption of revised HKAS 17 resulted in an increase in opening retained earnings at 1st April 2004 by HK$3,999,270 and a decrease in net profit for the fiscal year 2005 of HK$37,508

	31st March 2006	31st March 2005
	HK$	HK$
Decrease in property, plant and equipment	**17,695,935**	17,864,602
Increase in land use rights	**17,695,935**	17,864,602
Increase in administrative expenses	**37,508**	37,508

The adoption of revised HKAS 40 resulted in

	31st March 2006	31st March 2005
	HK$	HK$
Decrease in property, plant and equipment	**19,500,000**	18,920,000
Increase in investment property	**19,500,000**	18,920,000

Standards, interpretations and amendments to published standards but are not yet effective

Certain new standards, interpretations and amendments to existing standards that have been published that are mandatory for the Group's accounting periods beginning on or after 1st January 2006 or later periods but which the Group has not early adopted and they are as follows:

HKAS 19 (Amendment) Actuarial	Gains and Losses, Group Plans and Disclosures
HKFRS-Int 4	Determining whether an Arrangement contains A Lease

2.2 Consolidation

The consolidated financial statements include the financial statements of Company and all its subsidiaries made up to 31st March.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairments indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Segment reporting

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

2.4 Foreign currencies translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale financial assets are analyzed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in the income statement and other changes in carrying amount are recognised in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

Building comprises mainly office. Building is shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increase in the carrying amount arising on revaluation of building is credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are expensed in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset expensed in the income statement and depreciation based on the asset's original cost is transferred from other reserves to retained earnings.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives as follows:

Building	25 – 40 years
Leasehold improvements	3 – 5 years
Computer equipment	3 years
Furniture and fixtures	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimate recoverable amount (Note 2.7).

Gains or losses on disposal are determined by comparing the sales proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease. Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the income statement.

Subsequent expenditure is charged to the asset as carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement as part of "other gains-net".

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial Assets

(a) Classification

From 1st April 2004, the Group classified its financial assets as available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluated this designation at every reporting date.

Available-for-sale financial assets

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trades and other receivables in the balance sheet (Note 2.9).

(b) Recognition and initial measurement

Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (continued)

(c) Derecognition

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially the risk and rewards of ownership.

(d) Gains or losses on subsequent measurement and interest income

Available-for-sale financial assets

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale financial assets as analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale financial assets are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the financial statement. Dividends on available-for-sale equity investments are recognised in the income statement when the Group's right to receive payments is established.

The fair value of quoted investments is based on current bid prices. The Group's investment in private companies is classified as available-for-sale financial assets. Since the investment does not have a quoted market price in an active market and the fair value cannot be reliably measured, the investment is recognised in the balance sheet at cost less impairment losses. If there is objective evidence that the investment has been impaired, such impairment would be recognised in the income statement.

Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method less provision for impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (continued)

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in the financial statement – is removed from investment revaluation reserve and recognised in the income statement. Impairment testing of trade receivables is described in Note 2.9.

In the case of equity securities classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the securities below their cost is considered in determining whether the securities are impaired. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

A provision of impairment for loan and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due to according to the original terms of the receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the original effective interest rate. The amount of provision is recognised in the income statement.

2.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor's probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicate those trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Deferred income tax

Deferred income taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.12 Employee benefits

(a) Employee entitlements for annual leave are recognised when they accrue to employees.

Employee entitlements for sick leave and maternity leave are not recognised until the time of leave.

(b) The Group operates two defined contribution schemes for all qualified employees as follows:

Occupational Retirement Contributions Scheme

The Group operates an occupational retirement scheme registered under the Hong Kong Occupational Retirement Scheme Ordinance (Cap. 426). This scheme has been granted exemption pursuant to Section 5 of the Hong Kong Mandatory Provident Fund Schemes Ordinance (Cap.485) ("the MPF Ordinance"). The employees are either not required to make contribution or required to contribute an amount equal to 5% of the basic monthly salary and the employer's monthly contribution is at a range of 5% to 10% of employees' basic monthly salary. The Group's contributions to the scheme may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

Mandatory Provident Fund Scheme

The Group also joins a mandatory provident fund scheme ("the MPF Scheme") under the MPF Ordinance. Where staff elects to join the MPF Scheme, both the Group and staff are required to contribute 5% of the employees' relevant income (capped at HK$2,000 per month). Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

Contributions for the above schemes are charged to the income statement as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group and managed by independent professional fund manager.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown as follows:

(i) Financial quotation subscription fee income is recognised on a straight-line basis over the subscription period.

(ii) Revenue from securities trading system licensing and wireless applications is recognised when services are rendered.

(iii) Dividend income is recognised when the Company's right to receive payment is established.

(iv) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(v) Rental income is recognised on a straight-line basis over the lease term.

2.15 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

The Group's investment policy is to prudently invest all funds of the Group in a manner which will satisfy liquidity requirements, safeguard financial assets, and manage risks while optimising return on investments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and equity price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

Investment is governed by investment policies and risk management guidelines approved by the Board. Investment restrictions and guidelines form an integral part of risk control.

3.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates mainly relating to investments and borrowings denominated in Japanese Yen and United States Dollars.

During the year, the Group has not entered into any hedging arrangements relating to foreign exchange risk.

(b) Equity price risk

The Group is exposed to equity price risk as listed equities are held as part of the available-for-sale financial assets.

3.2 Credit risk

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the balance sheet date. The Group has policies in place to ensure that services are made to customers with appropriate credit history.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

(a) Estimate of fair value of investment property

The investment property of the Group was stated at fair value in accordance with the accounting policy stated in Note 2.6. The fair value of the investment property is determined by the directors of the Group with reference to the property valuation performed by Vigers Appraisal & Consulting Limited, a firm of independently qualified professional values. The fair value of investment property at the balance sheet date is set out in Note 15. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalization rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(b) Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Property, plant and equipment and depreciation

The Group depreciates the building and related improvements on a straight-line basis over their useful life. The Group depreciates the equipment on a straight-line basis over their estimated useful life of 3-5 years, commencing from the dates that the Group placed the equipment into productive use. The estimated useful life and dates that the Group places the equipment into productive use reflects the directors' estimation of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

5 TURNOVER, REVENUE AND SEGMENT INFORMATION

Primary reporting format – business segments

At 31st March 2006, the Group is organised on a worldwide basis into three main business segments:

- Financial quotation and securities trading system licensing
- Wireless applications
- Corporate activities and investment holdings-holding of corporate assets and liabilities

Turnover consists of financial quotation subscription fee, sales from securities trading system licensing and wireless applications.

The segment results for the year ended 31st March 2005 are as follows:

	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$	Total HK$
Turnover	25,020,061	21,798	–	25,041,859
Operating profit/(loss), as previously reported	371,922	(2,416,222)	87,771,022	85,726,722
Adoption of revised HKAS 17	–	–	(37,508)	(37,508)
Operating profit/(loss), as restated	371,922	(2,416,222)	87,733,514	85,689,214
Finance costs				(258,399)
Profit before income tax				85,430,815
Income tax expenses				–
Profit for the year				85,430,815

5 TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (continued)

The segment results for the year ended 31st March 2006 are as follows:

	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$	Total HK$
Turnover	40,704,607	323,907	–	41,028,514
Operating profit/(loss)	1,547,127	(1,958,346)	13,884,461	13,473,242
Finance costs				(343,140)
Profit before income tax				13,130,102
Income tax expense				–
Profit for the year				13,130,102

Other segment terms included in the consolidated income statements are as follows:

	Year ended 31st March 2006				Year ended 31st March 2005			
	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$	Total HK$	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$ (As restated)	Total HK$ (As restated)
Depreciation	499,099	17,206	1,182,480	1,698,785	527,267	16,857	2,723,971	3,268,095
Impairment loss on available-for-sale financial assets	–	–	4,052,819	4,052,819	–	–	–	–

5 TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (continued)

The segment assets and liabilities at 31st March 2005 and capital expenditure for the year then ended are as follows:

	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$ (As restated)	Total HK$ (As restated)
Assets	4,178,749	133,867	439,228,057	443,540,673
Liabilities	5,020,385	105,900	43,239,159	48,365,444
Capital expenditure	995,452	14,102	28,800	1,038,354

The segment assets and liabilities at 31st March 2006 and capital expenditure for the year then ended are as follows:

	Financial quotation and securities trading system licensing HK$	**Wireless applications HK$**	**Corporate activities and investment holdings HK$**	**Total HK$**
Assets	**8,201,397**	**127,512**	**388,818,273**	**397,147,182**
Liabilities	**7,524,155**	**58,755**	**71,392,826**	**78,975,736**
Capital expenditure	**538,946**	**5,452**	**14,132**	**558,530**

5 TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

Although the Group's three business segments are managed on a worldwide basis, they operate in three main geographical areas:

Hong Kong	:	Financial quotation, securities trading system licensing, wireless applications and corporate activities and investment holdings
Asia	:	Investment holdings
Canada and United States	:	Investment holdings

The Company which is also the main operating company of the Group operates in Hong Kong.

Turnover is allocated based on the places/countries in which customers are located. All turnover of the Group was generated in Hong Kong.

Total assets

	2006 **HK$**	2005 HK$ (As restated)
Hong Kong	**235,422,300**	261,789,976
Asia		
– Taiwan	**–**	3,031,484
– Japan	**143,711,263**	157,274,163
– Others	**931**	793
Canada and United States	**18,012,688**	21,444,257
	397,147,182	443,540,673

Total assets are allocated based on where the assets are located.

Capital expenditure

	2006 **HK$**	2005 HK$
Hong Kong	**558,530**	1,038,354

Capital expenditure is allocated based on where the assets are located.

6 OTHER GAINS – NET

	2006 HK$	2005 HK$
Gain on disposal of listed available-for-sale financial assets	**23,443,704**	88,471,791
Unrealised exchange loss on available-for-sale financial assets	**(11,851,569)**	(1,100,100)
Other exchange differences	**2,619,599**	1,104,442
Loss on deregistration of a subsidiary	**(3,370)**	–
Loss on disposal of property, plant and equipment	**(565,979)**	(46)
Impairment loss on available-for-sale financial assets	**(4,052,819)**	–
Fair value gain on revaluation of investment property	**580,000**	3,420,000
Interest income	**7,061,758**	3,117,445
Rental income from investment property	**1,327,774**	1,066,668
Dividend income from listed available-for-sale financial assets	**2,038,813**	674,617
Others	**1,004,043**	287,400
	21,601,954	97,042,217

7 EXPENSES BY NATURE

Expenses included in selling and distribution cost, general and administrative expenses are analysed as follows:

	2006 HK$	2005 HK$ (As restated)
Auditors' remuneration	**490,210**	438,150
Amortisation of land use rights	**168,667**	168,667
Depreciation of property, plant and equipment	**1,698,785**	3,268,095
Employee benefit expenses (Note 13)	**12,285,847**	12,126,349

8 FINANCE COSTS

	2006 HK$	2005 HK$
Interest on bank loans	**343,140**	258,399

9 INCOME TAX EXPENSES

Hong Kong profits tax has not been provided as the Group has no estimated assessable profit for the year (2005 Nil).

	2006 HK$	2005 HK$
Current income tax	–	–
Deferred taxation	–	–
	–	–

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2006 HK$	2005 HK$ (As restated)
Profit before income tax	13,130,102	85,430,815
Calculated at a taxation rate of 17.5% (2005 17.5%)	2,297,768	14,950,393
Income not subject to taxation	(6,726,249)	(17,484,226)
Expenses not deductible for taxation purposes	3,538,477	943,833
Tax losses not recognised	1,251,702	2,097,816
Utilisation of previously unrecognised tax losses	(299,755)	–
Utilisation of previously unrecognised temporary differences	(61,943)	(507,816)
	–	–

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31st March 2006 and 2005, the Group has unrecognised tax benefits in respect of the losses amounting to approximately HK$181,695,730 and HK$175,866,713 (as restated) respectively, to carry forward against future taxable profits with no expiry date.

10 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK$11,986,098 (2005: HK$85,903,149).

11 DIVIDENDS

	2006 HK$	2005 HK$
Interim, paid of HK¢2 (2005: HK¢2) per ordinary share	**9,337,720**	9,337,720
2005 Final, paid of HK¢11 per ordinary share	**–**	51,357,460
2006 Final, proposed of HK¢4 per ordinary share	**18,675,440**	–
	28,013,160	60,695,180

At a meeting held on 14th July 2006, the directors proposed a final dividend of HK4 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings of the Company for the year ending 31st March 2007.

12 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options, for which, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's share) based on the monetary value of the subscription rights attached to outstanding share options. The share options have the anti-dilutive effect. No option has been exercised during the year.

	2006	2005 (As restated)
Profit attributable to equity holders of the Company	**HK$13,130,102**	HK$85,430,815
Weighted average number of ordinary shares in issue	**466,886,000**	466,886,000
Basic and diluted earnings per share (HK¢ per share)	**2.8**	18.3

13 EMPLOYEE BENEFIT EXPENSES

	2006 HK$	2005 HK$
Wages, salaries and other benefits	**11,830,261**	11,831,461
Retirement benefit costs		
– defined contribution schemes (Note a)	**622,406**	600,682
– refund of forfeited contributions	**(166,820)**	(305,794)
	12,285,847	12,126,349

(a) Retirement benefit costs – defined contribution plan

Forfeited contributions totaling HK$5,733 (2005: HK$10,554) were available at the year-end to reduce future contributions.

Contributions totaling HK$67,628 (2005: HK$29,743) were payable to the funds at the year end.

(b) Directors' and senior executives' emoluments

The remuneration of every Director for the year ended 31st March 2006 is set out below:

Name of Director	Fees HK$	Salary HK$	Employer's contribution to provident fund HK$	Other benefits HK$	Total HK$
Chairman and non-executive directors					
Mr. Tse Chi Hung, Michael	30,000	384,000	–	–	414,000
Mr. George Ho	30,000	–	–	–	30,000
Mr. Leung Kwok Kit	30,000	–	–	–	30,000
Mr. David Miao	30,000	–	–	–	30,000
Mr. Fu Hau Chak, Adrian#	30,000	–	–	–	30,000
Mr. Li Kwok Sing, Aubrey#	30,000	–	–	–	30,000
Mr. Kwok Chi Hang, Lester, JP#	30,000	–	–	–	30,000
	210,000	384,000	–	–	594,000
Executive directors					
Ms. Yeung Shuk Kwan, Patricia	10,000	1,200,000	120,000	–	1,330,000
Mr. George Joseph Ho	10,000	360,000	36,000	–	406,000
Mr. Joey Fan	10,000	285,000	15,000	100,000	410,000
	30,000	1,845,000	171,000	100,000	2,146,000

13 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Directors' and senior executives' emoluments (continued)

The remuneration of every Director for the year ended 31st March 2005 is set out below:

Name of Director	Fees HK$	Salary HK$	Employer's contribution to provident fund HK$	Other benefits HK$	Total HK$
Chairman and non-executive directors					
Mr. Tse Chi Hung, Michael	30,000	408,000	–	–	438,000
Mr. George Ho	30,000	–	–	–	30,000
Mr. Leung Kwok Kit	30,000	–	–	–	30,000
Mr. David Miao	30,000	–	–	–	30,000
Mr. Fu Hau Chak, Adrian#	30,000	–	–	–	30,000
Mr. Li Kwok Sing, Aubrey#	30,000	–	–	–	30,000
Mr. Kwok Chi Hang, Lester, JP (note 1)#	30,000	–	–	–	30,000
	210,000	408,000	–	–	618,000
Executive directors					
Ms. Yeung Shuk Kwan, Patricia	10,000	1,200,000	120,000	–	1,330,000
Mr. George Joseph Ho	10,000	360,000	36,000	–	406,000
Mr. Joey Fan (note 1)	10,000	168,750	6,250	100,000	285,000
	30,000	1,728,750	162,250	100,000	2,021,000

Notes:

(1) Appointed on 30th September 2004.

Independent non-executive director

13 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2005: two) director(s) whose emoluments are reflected in the analysis in Note 13 (b) above. The emoluments payable to the remaining four (2005: three) individuals during the year are as follows:

	2006 **HK$**	2005 HK$
Basic salaries, housing allowances, other allowances and benefits in kind	**2,498,707**	1,895,552
Contributions to retirement schemes	**66,713**	48,000
	2,565,420	1,943,552

The emoluments fell within the following band:

	Number of individuals	
Emolument band	**2006**	2005
HK$0 – HK$1,000,000	**4**	3

14 PROPERTY, PLANT AND EQUIPMENT

Group

	Building HK$ (As restated)	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$ (As restated)
At 1st April 2004					
Cost	5,049,353	11,185,870	15,514,127	3,023,433	34,772,783
Accumulated impairment loss (note i)	(1,145,882)	–	–	–	(1,145,882)
Accumulated depreciation	(1,250,907)	(7,992,667)	(14,945,408)	(2,411,427)	(26,600,409)
Net book amount	2,652,564	3,193,203	568,719	612,006	7,026,492
Year ended 31st March 2005					
Opening net book amount at 1st April 2004	2,652,564	3,193,203	568,719	612,006	7,026,492
Additions	–	–	1,004,774	33,580	1,038,354
Disposal	–	–	–	(46)	(46)
Depreciation (note i)	(69,086)	(2,213,509)	(534,891)	(450,609)	(3,268,095)
Closing net book amount	2,583,478	979,694	1,038,602	194,931	4,796,705
At 31st March 2005					
Cost	5,049,353	11,185,870	16,518,901	2,989,013	35,743,137
Accumulated impairment loss (note i)	(1,145,882)	–	–	–	(1,145,882)
Accumulated depreciation	(1,319,993)	(10,206,176)	(15,480,299)	(2,794,082)	(29,800,550)
Net book amount	2,583,478	979,694	1,038,602	194,931	4,796,705
Year ended 31st March 2006					
Opening net book amount at 1st April 2005	**2,583,478**	**979,694**	**1,038,602**	**194,931**	**4,796,705**
Additions	**–**	**–**	**535,354**	**23,176**	**558,530**
Disposal	**(1,041,962)**	**–**	**(6,730)**	**(4,287)**	**(1,052,979)**
Depreciation (note i)	**(60,165)**	**(968,935)**	**(506,922)**	**(162,763)**	**(1,698,785)**
Closing net book amount	**1,481,351**	**10,759**	**1,060,304**	**51,057**	**2,603,471**
At 31st March 2006					
Cost	**3,698,023**	**11,185,870**	**9,669,983**	**2,765,454**	**27,319,330**
Accumulated impairment loss (note i)	**(1,145,882)**	**–**	**–**	**–**	**(1,145,882)**
Accumulated depreciation	**(1,070,790)**	**(11,175,111)**	**(8,609,679)**	**(2,714,397)**	**(23,569,977)**
Net book amount	**1,481,351**	**10,759**	**1,060,304**	**51,057**	**2,603,471**

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) Depreciation expenses of HK$1,698,785 (2005: HK$3,268,095) has been expensed in General and Administrative expenses. Building was revaluated at 31st March 2004 on the basis of its depreciated replacement cost calculated by Vigers Appraisal & Consulting Limited, an independent professional valuer, employed by the Group. The total revaluation deficit of building for the year ended 31st March 2004 amounted to HK$1,145,882 which has been charged to the income statement as impairment loss on building under operating expenses.

(ii) If the building was stated on the historical cost basis, the amounts would be as follows:

	2006 **HK$**	2005 HK$
Cost	**3,698,023**	3,698,023
Accumulated depreciation	**(1,134,060)**	(1,060,100)
Net book amount	**2,563,963**	2,637,923

(iii) None of the properties has been pledged as at year ended 31st March 2006 (2005: Nil).

(iv) The analysis of the cost or valuation at 31st March 2006 of the above assets is as follows:

	Building **HK$**	**Leasehold improvements** **HK$**	**Computer equipment** **HK$**	**Furniture and fixtures** **HK$**	**Total** **HK$**
At cost	**–**	**11,185,870**	**9,669,983**	**2,765,454**	**23,621,307**
At 2004 professional valuation	**1,406,259**	**–**	**–**	**–**	**1,406,259**
	1,406,259	**11,185,870**	**9,669,983**	**2,765,454**	**25,027,566**

The analysis of the cost or valuation at 31st March 2005 of the above assets is as follows:

	Building HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
At cost	–	11,185,870	16,518,901	2,989,013	30,693,784
At 2004 professional valuation	3,903,471	–	–	–	3,903,471
	3,903,471	11,185,870	16,518,901	2,989,013	34,597,255

15 INVESTMENT PROPERTY

	2006 HK$	2005 HK$
At 1st April	**18,920,000**	15,500,000
Fair value gain (included in other gains-net) (Note 6)	**580,000**	3,420,000
At 31st March	**19,500,000**	18,920,000

Particulars of investment property held by the Group:

Property	Type	Lease term
1/F, Jade Mansion, 40 Waterloo Road, Yaumatei, Kowloon, Hong Kong	Office space	Lease of over 50 years

The cost of investment property was HK$23,980,180 (2005: HK$23,980,180). The investment property was revalued at 31st March 2006 on the basis of open market value by Vigers Appraisal & Consulting Limited, an independent professional valuer, employed by the Group.

In the income statement, direct operating expenses included HK$78,582 (2005: HK$77,748) relating to investment property that was let.

16 LAND USE RIGHTS

The Group's interest in leasehold land represents prepaid operating lease payments and the net book value are analysed as follows:

	2006 HK$	2005 HK$ (As restated)
Lease of over 50 years	**9,262,585**	9,431,252
Lease of between 10 to 50 years	**8,433,350**	8,433,350
Net book value at 31st March	**17,695,935**	17,864,602

None of the properties has been pledged as at 31st March 2006 and 2005.

The leasehold land is located at 2/F, Jade Mansion, 40 Waterloo Road, Yaumatei, Kowloon, Hong Kong.

17 INTERESTS IN SUBSIDIARIES

	Company 2006 HK$	Company 2005 HK$
Unlisted shares, at cost	**253,304,023**	253,304,023
Less: Provision for impairment losses	**(230,828,793)**	(235,012,469)
	22,475,230	18,291,554
Amounts due from subsidiaries	**354,058,676**	392,729,856
Less: Provision for impairment losses	**(198,027,232)**	(198,215,355)
	156,031,444	194,514,501
Amounts due to a subsidiary	**(322,859)**	(147,420)
	178,183,815	212,658,635

The amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand.

Particulars of the principal subsidiaries as at 31st March 2006 are as follows:

Name	Place of incorporation/ operation	Principal activities	Issued and paid up capital	Class of shares held	Interest held Directly	Interest held Indirectly
ABC Communications Limited	Hong Kong	Investment holding	HK$1,000	Ordinary HK$23,300,000 (non-voting deferred shares)	100%	–
ABC Communications (Cellular) Limited	Hong Kong	Investment holding	HK$2	Ordinary	–	100%
ABC Communications (Investments) Limited	Hong Kong	Investment holding	HK$2	Ordinary	–	100%
ABC Financial Information Services Limited	Hong Kong	Financial information services	HK$30	Ordinary	–	99.95%
ABC Global Limited	British Virgin Islands/ Hong Kong	Investment holding	US$1	Ordinary	100%	–
ABC QuickSilver Limited	British Virgin Islands/ Hong Kong	Wireless applications development	US$25	Ordinary	–	80%

17 INTERESTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued and paid up capital	Class of shares held	Interest held	
					Directly	Indirectly
Abcomm Realty Limited	Hong Kong	Property investment	HK$10,000	Ordinary	–	100%
Abccom Technology Limited	British Virgin Islands/ Hong Kong	Investment holding	US$1	Ordinary	100%	–
Choudary Limited	British Virgin Islands/ Hong Kong	Investment holding	US$10,003	Ordinary	100%	–
Gine Well Properties Limited	Hong Kong	Property investment	HK$2	Ordinary	–	100%
Lotus Flower International Limited	British Virgin Islands	Investment holding	US$1	Ordinary	100%	–
On Smart Enterprises Limited	British Virgin Islands/ Hong Kong	Investment holding	US$1	Ordinary	100%	–
QuotePower International Limited	Hong Kong	Financial information services and securities trading system licensing	HK$67,264,000	Ordinary	–	99.95%

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2006 HK$	2005 HK$
As at 1st April	**182,399,704**	288,865,619
Additions	**34,386,005**	3,883,250
Disposals	**(36,789,798)**	(127,319,229)
Exchange difference	**(11,998,253)**	(1,100,100)
Fair value change transferred to reserve	**(1,574,887)**	18,070,164
Impairment loss charged to income statement	**(4,052,819)**	–
As at 31st March	**162,369,952**	182,399,704

	31st March 2006 HK$	31st March 2005 HK$
Available-for-sale financial assets include the following securities:		
Listed securities		
– Equity securities in Hong Kong	**646,000**	649,800
– Equity securities in Taiwan (Note a)	**–**	3,031,484
– Equity securities in Japan (Note b)	**111,264,509**	157,274,163
Unlisted securities		
– Equity securities in Japan (Note c)	**32,446,755**	–
– Internet fund (Note d)	**18,012,688**	21,444,257
Total	**162,369,952**	182,399,704

The carrying amounts of the available-for-sale financial assets are denominated in the following currencies:

	2006 HK$	2005 HK$
Japanese yen	**143,711,264**	157,274,163
New Taiwan dollar	**–**	3,031,484
US dollar	**18,012,688**	21,444,257
Hong Kong dollar	**646,000**	649,800
	162,369,952	182,399,704

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Notes:

(a) During the year, the Group disposed of all 306,359 shares in Far EasTone Telecommunications Co., Limited ("Far EasTone"), a company listed on the Taiwan Stock Exchange.

(b) During the year, the Group disposed of 5,120 shares in eAccess Limited, ("eAccess"), a company listed on the Tokyo Stock Exchange. The directors have confirmed that the remaining eAccess shares held through ABC Global Limited are intended as long-term investments.

(c) During the year, the Group invested in 6,666 A-1 preferred shares in eMobile Limited, ("eMobile"), a subsidiary of eAccess. The directors have confirmed that the investment in eMobile held through ABC Global Limited are intended as long-term investments and therefore classified as available-for-sale financial assets in the balance sheet.

(d) During the year, the Group made further contributions of approximately HK$1.9 million to the Wireless Internet Fund. The future cost of investment committed by the Group is shown in Note 25.

19 TRADE RECEIVABLES

	2006	2005
	HK$	HK$
Trade receivables	**5,012,317**	1,891,247
Less: provision for impairment of receivables	**(332)**	(69,396)
Trade receivables – net	**5,011,985**	1,821,851

	2006	2005
	HK$	HK$
0 – 3 months	**5,003,398**	1,801,773
4 – 6 months	**8,587**	20,078
Over 6 months	**–**	–
	5,011,985	1,821,851

The carrying amounts of trade receivables approximate their fair value.

20 PLEDGED DEPOSITS

Fixed deposits have been placed in banks as securities against the Group's bank loans and certain guarantees provided by the bank. The carrying amounts of the pledged deposit are denominated in the US dollars.

21 TRADE AND OTHER PAYABLES

	Group 2006 HK$	2005 HK$
Amount due to the ultimate holding company (Note (a))	**253,045**	253,045
Trade payables (Note (b))	**3,627,065**	1,324,830
Other payables	**1,315,772**	1,070,205
	5,195,882	2,648,080

(a) The amount due to the ultimate holding company is unsecured, interest free and repayable on demand.

(b) The aging of trade payables is within 3 months.

(c) The carrying amounts of trade and other payables approximate their fair values.

22 BANK LOANS SECURED

	Group 2006 HK$	2005 HK$
Non-current		
Bank borrowing (Note (a))	**32,811,719**	–
Current		
Bank borrowings	**38,367,264**	42,541,305
	71,178,983	42,541,305

(a) The bank borrowings will mature on 22nd December 2008.

The bank borrowings are secured by fixed deposits placed in the banks. The carrying amounts of the bank borrowings approximate their fair value. The carrying amounts of the borrowings are denominated in Japanese Yen.

The effective interest rates at the balance sheet date were as follows:

	2006	2005
Non-current		
Bank borrowing	**1.05%**	–
Current		
Bank borrowings	**0.63%**	0.60%

23 SHARE CAPITAL

	Group and Company	
	2006	2005
	HK$	HK$
Authorised:		
600,000,000 ordinary shares of HK$0.1 each	**60,000,000**	60,000,000
Issued and fully paid:		
466,886,000 (2005: 466,886,000) ordinary shares of HK$0.1 each	**46,688,600**	46,688,600

Share options:

(a) Expired Scheme

Under the share option scheme of the Company adopted on 12th September 1991 (the "Expired Scheme"), the Directors may, at their discretion, invite full-time employees of the Group, including executive directors, to take up options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares or not less than 80% of the average of the closing prices of the shares of the Company for the five trading days immediately preceding the date of offer of the option. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company at the time of granting of the options.

The Expired Scheme expired on 11th September 2001 ("Expiration Date") without prejudice to the rights and benefits of and attached to those options granted there under which are outstanding as at that date. No further grants were made after the Expiration Date. Following the expiration, the provisions of the Expired Scheme remain in force and effect to the extent necessary to give effect to the exercise of any option granted prior to the Expiration Date.

The share options granted are not recognised in the financial statements until they are exercised. As at 31st March 2006, the total number of shares which may be issued pursuant to exercise of options granted under the Expired Scheme was 2,500,000 shares, which represented approximately 0.5% of the total issued share capital of the Company as at 31st March 2006.

23 SHARE CAPITAL (Continued)

(a) Expired Scheme (continued)

Details of the share options outstanding at 31st March 2006 which have been granted to and accepted by the directors under the Expired Scheme are as follows:

Name of director	Date of share options granted	Outstanding number of options as at 31st March 2006	Exercise price HK$	Exercise period
Ms. Yeung Shuk Kwan, Patricia	23rd February 2000	1,000,000	1.41	23rd March 2000 to 22nd February 2010
	23rd February 2000	1,000,000	1.41	23rd February 2001 to 22nd February 2010
Mr. George Joseph Ho	23rd February 2000	250,000	1.41	23rd March 2000 to 22nd February 2010
	23rd February 2000	250,000	1.41	23rd February 2001 to 22nd February 2010
		2,500,000		

No share options were granted by the Company and no share options were exercised by the directors during the year.

(b) Existing Scheme

Under the share options scheme (the "Existing Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27th March 2002 ("Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

23 SHARE CAPITAL (Continued)

(b) Existing Scheme (continued)

Details of the Existing Scheme are as follows:

(i) Purpose

The purpose of the Existing Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

(ii) Participants

The Directors may, at their discretion, invite any Participant including any executive director, non-executive director or employee (whether full time or part time), shareholder, supplier, customers, consultant, adviser, other service provider or any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity, to take up options to subscribe for Shares in the Company.

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and Expired Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Existing Scheme and Expired Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limited").

The Company may, from time to time, renew the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

23 SHARE CAPITAL (Continued)

(b) Existing Scheme (continued)

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the nominal value of a Share at the date of grant; (b) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(vi) Amount payable upon acceptance of the option

Acceptance of an offer of the grant of an option shall be by the delivery to and receipt by the Company at its registered office of the form of acceptance sent to the Participant duly completed and signed by the Participant together with a remittance of HK$10.

(vii) Time of Exercise of Option

An option shall be exercisable at such time(s) or during such period(s) and subject to such terms, as the Directors may, at their discretion specify, provided that no option shall be exercisable no earlier than one month after and no later than ten years after its date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Existing Scheme

The life of the Existing Scheme is 10 years commencing on the Adoption Date and will end on 26th March 2012.

(ix) Shares available for issue under the Existing Scheme

As at 31st March 2006, the total number of shares available for issue under the Existing Scheme was 44,188,600 shares which represented approximately 9.5% of the total issued share capital of the Company.

24 RESERVES

	General reserve	Asset replacement reserve	Investment revaluation reserve	Contributed surplus	Share premium	Capital redemption reserve	Capital reserve	Exchange reserve	Retained earnings	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
									(As restated)	(As restated)
(a) Group										
At 31st March 2004, as previously reported	2,000,000	5,150,000	204,138,382	90,681,578	76,470,297	176,000	278,385	(41,862)	23,045,700	401,898,480
Adoption of revised HKAS 17	–	–	–	–	–	–	–	–	3,999,270	3,999,270
At 31st March 2004, as restated	2,000,000	5,150,000	204,138,382	90,681,578	76,470,297	176,000	278,385	(41,862)	27,044,970	405,897,750
Profit for the year, as previously reported	–	–	–	–	–	–	–	–	85,468,323	85,468,323
Adoption of revised HKAS 17	–	–	–	–	–	–	–	–	(37,508)	(37,508)
2004 final dividends paid	–	–	–	–	–	–	–	–	(46,688,600)	(46,688,600)
2005 interim dividends paid	–	–	–	–	–	–	–	–	(9,337,720)	(9,337,720)
Exchange differences arising on translation of subsidiaries	–	–	–	–	–	–	–	(26,148)	–	(26,148)
Fair value change on available-for-sale financial assets	–	–	18,070,164	–	–	–	–	–	–	18,070,164
Realisation of reserves on disposal of available-for-sale financial assets	–	–	(104,859,632)	–	–	–	–	–	–	(104,859,632)
At 31st March 2005, as restated	2,000,000	5,150,000	117,348,914	90,681,578	76,470,297	176,000	278,385	(68,010)	56,449,465	348,486,629
Profit for the year	–	–	–	–	–	–	–	–	13,130,102	13,130,102
2005 final dividends paid	–	–	–	(51,357,460)	–	–	–	–	–	(51,357,460)
2006 interim dividends paid	–	–	–	(9,337,720)	–	–	–	–	–	(9,337,720)
Exchange differences arising on translation of available-for-sale financial assets	–	–	(146,685)	–	–	–	–	–	–	(146,685)
Fair value change on available-for-sale financial assets	–	–	(1,574,887)	–	–	–	–	–	–	(1,574,887)
Realisation of reserves on disposal of available-for-sale financial assets	–	–	(27,717,133)	–	–	–	–	–	–	(27,717,133)
At 31st March 2006	**2,000,000**	**5,150,000**	**87,910,209**	**29,986,398**	**76,470,297**	**176,000**	**278,385**	**(68,010)**	**69,579,567**	**271,482,846**

24 RESERVES (Continued)

	Contributed surplus HK$	Share premium HK$	Capital redemption reserve HK$	(Accumulated losses)/ retained earnings HK$	Total HK$
(b) Company					
At 31st March 2004	140,737,413	76,470,297	176,000	(19,123,777)	198,259,933
Profit for the year	–	–	–	85,903,149	85,903,149
2004 final dividends paid	–	–	–	(46,688,600)	(46,688,600)
2005 interim dividends paid	–	–	–	(9,337,720)	(9,337,720)
At 31st March 2005	140,737,413	76,470,297	176,000	10,753,052	228,136,762
Profit for the year	–	–	–	11,986,098	11,986,098
2005 final dividends paid	(51,357,460)	–	–	–	(51,357,460)
2006 interim dividends paid	(9,337,720)	–	–	–	(9,337,720)
At 31st March 2006	**80,042,233**	**76,470,297**	**176,000**	**22,739,150**	**179,427,680**

(c) The contributed surplus of the Company, which arose as a result of a group reorganisation in 1991 and the transfer from share premium account pursuant to the special resolutions passed on 27th March 2002, is distributable to equity holders under the Companies Act 1981 of Bermuda (as amended). However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus account if there are reasonable grounds for believing that:

(i) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, the Company's reserves available for distribution to equity holders were as follows:

	2006 **HK$**	2005 HK$
Contributed surplus	**80,042,233**	140,737,413
Retained earnings	**22,739,150**	10,753,052
	102,781,383	151,490,465

25 CAPITAL COMMITMENTS

	Group	
	2006	2005
	HK$	HK$
Contracted but not provided for in respect of investment in available-for-sale financial assets	**3,868,500**	5,832,000

26 OPERATING LEASES

As at 31st March 2006 the Group had future aggregate minimum lease receivables under the non-cancellable operating leases in respect of the investment property as follows:

	Group	
	2006	2005
	HK$	HK$
Not later than one year	**1,560,000**	380,000
Later than one year and not later than five years	**350,000**	300,000
	1,910,000	680,000

27 CASH USED IN OPERATIONS

(a) Reconciliation of profit for the year to net cash used in operations:

	2006 HK$	2005 HK$ (As restated)
Profit for the year, as previously reported	**13,130,102**	85,468,323
Adoption of revised HKAS 17	**–**	(37,508)
Profit for the year, as restated	**13,130,102**	85,430,815
Adjustment for:		
Depreciation	**1,698,785**	3,268,095
Amortisation of land use rights	**168,667**	168,667
Dividend income from listed available-for-sale financial assets	**(2,038,813)**	(674,617)
Interest expenses	**343,140**	258,399
Interest income	**(7,061,758)**	(3,117,445)
Loss on disposal of property, plant and equipment	**565,979**	46
Loss on deregistration of a subsidiary	**3,370**	–
Fair value gain on revaluation of investment property	**(580,000)**	(3,420,000)
Impairment loss on available-for-sale financial assets	**4,052,819**	–
Gain on disposal of listed available-for-sale financial assets	**(23,443,704)**	(88,471,791)
Changes in working capital	**(13,161,413)**	(6,557,831)
Trade receivables	**(3,190,134)**	(143,434)
Other receivables, deposits and prepayments	**84,361**	(122,217)
Advance subscriptions and licence fees received	**27,328**	104,019
Customer deposits	**(602,516)**	(40,695)
Trade and other payables	**2,402,406**	358,797
Exchange losses/(gains)	**4,252,360**	(564,908)
Cash used in operations	**(10,187,608)**	(6,966,269)

27 CASH USED IN OPERATIONS (Continued)

(b) Deregistration of a subsidiary

	2006 HK$	2005 HK$
Net assets disposed of:		
Other receivables, deposits and prepayments	75,776	–
Cash and bank balances	–	–
	75,776	–
Reserve realised	(79,146)	–
Loss on deregistration	3,370	–
	–	–
Satisfied by:		
Included in other receivables, deposits and prepayments	–	–

Analysis of net cash used in respect of deregistration of a subsidiary:

	2006 HK$	2005 HK$
Net cash used in respect of deregistration of a subsidiary	(3,370)	–

(c) In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2006 HK$	2005 HK$
Net book amount (Note 14)	1,052,979	46
Loss on sale of property, plant and equipment	(565,979)	(46)
Proceeds from sale of property, plant and equipment (note i)	487,000	–

Note:

(i) Sales proceeds amounting to HK$436,500 remain as "Other receivables, deposits and prepayments" as at 31st March 2006. Therefore, the actual cash receipt for the year ended 31st March 2006 was HK$50,500.

(d) Non-cash items

Exchange translation difference for bank loans amounted HK$3,809,077 (2005: HK$1,128,274).

28 CASH AND CASH EQUIVALENTS

	Group		Company	
	2006	2005	**2006**	2005
	HK$	HK$	**HK$**	HK$
Cash at bank and in hand	**23,166,365**	61,839,643	**21,337,323**	60,661,079
Short-term bank deposits	**67,984,773**	98,283,150	**20,400,000**	1,500,000
	91,151,138	160,122,793	**41,737,323**	62,161,079

The effective interest rate on short-term bank deposits was 4.39% (2005: 2.65%); these deposits have an average maturity of 60 days.

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2006	2005	**2006**	2005
	HK$	HK$	**HK$**	HK$
Hong Kong dollar	**22,517,602**	3,007,582	**20,671,098**	1,844,917
US dollar	**68,612,063**	157,090,408	**21,061,330**	60,307,257
Others	**21,473**	24,803	**4,895**	8,905
	91,151,138	160,122,793	**41,737,323**	62,161,079

29 SHORT-TERM DEPOSITS WITH ORIGINAL MATURITY MORE THAN 3 MONTHS

The effective interest rate of short-term deposits with original maturity more than 3 months is as follows:

	Group		Company	
	2006	2005	**2006**	2005
	HK$	HK$	**HK$**	HK$
Short-term deposits	**4.26%**	–	**4.15%**	–

The deposits have an average maturity of 208 days.

The carrying amounts of the short-term deposits with original maturity more than 3 months are denominated in the following currencies:

	Group		Company	
	2006	2005	**2006**	2005
	HK$	HK$	**HK$**	HK$
Hong Kong dollar	**6,400,000**	–	**6,400,000**	–
US dollar	**2,616,321**	–	**–**	–
	9,016,321	–	**6,400,000**	–

30 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The carrying amounts of the other receivables, deposits and prepayments are denominated in the following currencies:

	Group		Company	
	2006	2005	**2006**	2005
	HK$	HK$	**HK$**	HK$
Hong Kong dollar	**2,901,496**	935,563	**280,038**	342,379
New Taiwan dollar	**4,962,054**	5,090,383	**–**	–
	7,863,550	6,025,946	**280,038**	342,379

The carrying amounts of other receivables, deposits and prepayments approximate their fair values.

31 RELATED-PARTY TRANSACTIONS

Key Management compensation

	2006	2005
	HK$	HK$
Salaries and other short-term benefits	**4,481,113**	4,261,932
Termination benefits	**–**	–
Post-employment benefits	**–**	–
Other long-term benefits	**–**	–
Share-based payments	**–**	–
	4,481,113	4,261,932

32 EVENTS AFTER THE BALANCE SHEET DATE

Additional subscription of eMobile preferred shares

In April 2006, ABC Global Limited, a wholly owned subsidiary of the Group, subscribed an additional lot of A-2 Series Preferred Share in eMobile Limited for the consideration of JPY255,935,000 which will be settled by a bank loan in May 2006. Following the completion of subscription, our aggregate stake of 6,666 A-1 Preferred shares and 3,011 A-2 Preferred shares in the eMobile Limited representing approximately 0.47% of the total issued capital of eMobile Limited.

A further Japanese Yen loan of approximately HK$17.3 million was drawn down subsequent to the year-end, and the total amount of deposits pledged has been increased to HK$106.8 million.