PLUS HOLDINGS LIMITED

(Provisional Liquidators Appointed)

（普納集團有限公司）

(Incorporated in Bermuda with limited liability)

(Stock Code: 1013)

ANNUAL REPORT 2007

CONTENTS

CORPORATE INFORMATION

Executive Directors
Mr. Zou Yishang *(Chairman & Chief Executive Officer)*
Mr. Hu Jian *(Chief Operating Officer)*
Mr. Zou Yicheng
Mr. Cui Jingya
Mr. Liu Yiquan (appointed on 16 May 2007)
Mr. Zhang Yi (appointed on 16 May 2007)
Ms. Chow King Lin, Theresa (resigned on 29 March 2007)

Non-executive Director
Mr. Weng Xianding

Independent Non-executive Directors
Mr. Chan Kin Sang (appointed on 1 November 2007)
Mr. Choi Man On (appointed on 1 November 2007)
Mr. Young Meng Cheung Andrew (appointed on 1 November 2007)
Mr. Zhao Renwei (resigned on 14 June 2007)
Mr. Wang Xiangfei (resigned on 1 January 2007)
Mr. Xu Xiaosheng (resigned on 15 January 2007)

Company Secretary
Ms. Lee Ho Yee

Auditors
Morison Heng, Chartered Accountants, Certified Public Accountants

Provisional Liquidators
Mr. Liu Yiu Keung Stephen
Mr. Robert Armor Morris

Legal Advisers to the Provisional Liquidators
Bermuda:
Appleby

Hong Kong:
P.C. Woo & Co

Principal Bankers (before appointment of Provisional Liquidators)
Industrial and Commercial Bank of China (Asia) Limited
CITIC Ka Wah Bank Limited

Share Registrars

Bermuda:
Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, Bermuda

Hong Kong:
Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business

18/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Internet Address

http://www.equitynet.com.hk/plusholdings

Stock Code

1013

DIRECTORS' PROFILE

EXECUTIVE DIRECTORS

Mr. Zou Yishang, aged 45, joined the Company as an executive director in February 2000 and now is the Chairman and Chief Executive Officer of the Company. Prior to joining the Company, Mr. Zou had worked for Goldman Sachs, Hong Kong for 4 years. He played a significant role in shaping the China business strategy and building up the capital market and finance business in China for that firm. From 1983 to 1991, Mr. Zou served in the Institute of Economics, Chinese Academy of Social Sciences. He holds three Master degrees in: Economics from Chinese Academy of Social Sciences; Development Economics from Williams College, U.S.A., and Business Administration from Yale University, School of Management. Mr. Zou is a substantial shareholder of the Company under Part XV of the Securities and Futures Ordinance. He is related to other executive directors of the Company being son-in-law of Mr. Cui Jingya, and brother of Mr. Zou Yicheng.

Mr. Hu Jian, aged 48, joined the Company in January 2001 and was appointed as an executive director in May 2004. Since September 2004, Mr. Hu was appointed as the Chief Operating Officer of the Company. He is also the Chief Executive Officer of Beijing HollyBridge System Integration Co., Limited, a major subsidiary of the Company. Mr. Hu, a former senior researcher at the Chinese Academy of Sciences, holds a Master Degree in Business Administration from the University of Houston, U.S.A. and has rich experience in information technology sector.

Mr. Zou Yicheng, aged 41, was appointed as an executive director of the Company in May 2005. Mr. Zou graduated from the Chinese People's Liberation Army Armoured Force Engineering College and holds a Bachelor Degree in Engineering. Mr. Zou served for the Chinese People's Liberation Army for over ten years. He has over 5 years' relevant experience in business management. Mr. Zou is related to other executive director being the brother of Mr. Zou Yishang.

Mr. Cui Jingya, aged 70, was appointed as an executive director of the Company in May 2005. Mr. Cui holds a Bachelor Degree in Science from the China University of Science and Technology. Mr. Cui had worked for the government bureaus of the People's Republic of China for over 32 years. Mr. Cui is related to other executive director of the Company being the father-in-law of Mr. Zou Yishang.

Mr. Liu Yiquan, aged 32, from Hunan, was appointed as an executive director of the Company in May 2007. Mr. Liu, graduated from Beijing University of Aeronautics & Astronautics, holds a Bachelor Degree in Mechanical Engineering. Mr. Liu has over 7 years' relevant experience in business management. He also holds position as director in Plus Investment and Management Consulting (Shenzhen) Company Limited, a wholly owned subsidiary of the Company. Mr. Liu is the brother of Mr. Zou Yishang, chairman of the Company.

Mr. Zhang Yi, aged 37, from Beijing, was appointed as an executive director of the Company in May 2007. Mr. Zhang, graduated from Nanjing Communication Engineering Institute, holds a Master Degree in Computer Communication. Mr. Zhang also holds position as Software Engineer in Beijing HollyBridge System Integration Co., Ltd., a subsidiary of the Company. Mr. Zhang is the brother-in-law of Mr. Zou Yishang, chairman of the Company.

Ms. Chow King Lin, Theresa, aged 45, was an executive director as well as the Head of Capital Markets of the Company until her resignation from office in March 2007. She joined the Company in late 2000 and was appointed as an executive director of the Company in September 2002. Ms. Chow has over 14 years of experience in international financial markets, providing investment services to private and corporate clients during her service with Merrill Lynch (Asia Pacific) Ltd. and Goldman Sachs (Asia) L.L.C. prior to joining the Company.

NON-EXECUTIVE DIRECTOR

Mr. Weng Xianding, aged 46, has been a non-executive director of the Company and was appointed in July 2001. Mr. Weng holds a Master degree in Economics from the Chinese Academy of Social Sciences. He served in various senior positions in the People's Republic of China government, such as Deputy Director General of the State Planning Commission (the current State Development and Reform Commission) Finance Department, Assistant Director General of the Shenzhen City Planning Department.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kin Sang, aged 56, was appointed as an independent non-executive director of the Company in November 2007. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee (Chairman) of the Company. Mr. Chan is currently the sole proprietor of Messrs. Peter K. S. Chan & Co., Solicitors and Notaries. He has been a practising solicitor in Hong Kong since 1982. Mr. Chan graduated from the University of Hong Kong with a Bachelor of Laws degree in 1979. He was admitted as a Notary Public in 1997 and as a China-appointed Attesting Officer in 2000. He is a Fellow of the Hong Kong Institute of Directors. Mr. Chan is currently an independent non-executive director of 3 Singapore listed companies, namely People's Food Holdings Limited, Sunray Holdings Limited, Luxking Group Holdings Limited and 4 Hong Kong listed companies, namely Dynamic Energy Holdings Limited, China Force Oil & Grains Industrial Holdings Co., Limited, Golding Soft Limited and New Smart Energy Group Limited. Mr. Chan is also non-executive director of Pan Hong Property Group Limited, a Singapore listed company. Mr. Chan was formerly an independent non-executive director of LeRoi Holdings Limited, China Sciences Conservational Power Limited, Earnest Investments Holdings Limited and CHT (Holdings) Limited and an executive director of Massive Resources International Corporation Limited.

Mr. Choi Man On, aged 51, was appointed as an independent non-executive director of the Company in November 2007. He is also a member of the Audit Committee (Chairman), Remuneration Committee and Nomination Committee of the Company. Mr. Choi is a fellow member of the Institute of Chartered Accountant in England and Wales and a CPA (Practising) member of the Hong Kong Institute of Certified Public Accountants. Mr Choi is currently a director of Shu Lun Pan Horwath Hong Kong CPA Limited (formerly known as Horwath Hong Kong CPA Limited). He has more than 25 years of experience in audit and assurance work. During that period, he has been a partner and director of certified public accountancy firms for over 10 years in which he has been in charge of compliance work of listed companies both in Hong Kong and the People's Republic of China. He was an independent non-executive director of Shanghai Land Holdings Limited (In Members' Voluntary Liquidation).

Mr. Young Meng Cheung, Andrew, aged 48, was appointed as a director the Company on 1 November 2007. He is also a member of the Audit Committee, Remuneration Committee (Chairman) and Nomination Committee of the Company. Mr. Young is a Chartered Professional Engineer of The Institution of Engineers, Australia. Mr. Young has over 20 years of experience in technology management, engineering consultation and management consulting industry. He has worked for The Hong Kong Polytechnic University ("PolyU") since 1998 and is currently the Director of Partnership Development. He is a non-executive director of Eco-Tek Holdings Limited, a director of the Hong Kong Plastics Technology Centre Ltd. and also the director of various private companies. Before the employment with PolyU, Mr. Young worked for Hong Kong Productivity Council as senior consultant for two years since 1996.

Mr. Zhao Renwei, aged 75, is a distinguished economist in China and the former Head of the Institute of Economics, Chinese Academy of Social Sciences. He joined the Company as an independent non-executive director in June 2000 until his resignation from office in June 2007.

Mr. Wang Xiangfei, aged 56, was appointed as an independent non-executive director of the Company in September 2004 until his resignation from office in January 2007. Mr. Wang graduated from the People's University of China, major in finance, accounting and banking, holds a bachelor degree in Economics. Mr. Wang is a qualified senior accountant in the People's Republic of China. Mr. Wang has extensive business connections and experiences in investment, business administration, finance, accounting and trading.

Mr. Xu Xiaosheng, aged 56, was appointed as an independent non-executive director of the Company in September 2004 until his resignation from office in January 2007. Mr. Xu holds a master of art degree in finance and banking from the Graduate School of the People's Bank of China and a bachelor degree in finance from the Shanxi Financial and Economic University. Mr. Xu has over 18 years' experience in investment and finance industry.

REPORT OF THE PROVISIONAL LIQUIDATORS

The joint and several provisional liquidators (collectively, the "Provisional Liquidators") of Plus Holdings Limited (Provisional Liquidators Appointed) (the "Company") present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2007.

The Provisional Liquidators were appointed under an order by the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "HK High Court") on 17 May 2007, and consequently, the Provisional Liquidators do not have the same detailed knowledge of the financial affairs of the Group as the directors of the Company would have, in particular transactions entered into by the Group prior to their appointment.

The board of directors of the Company has authorised the Provisional Liquidators to sign, approve, publish and do all such acts in connection with the annual report. The Provisional Liquidators are responsible for the accuracy and completeness of the contents of this report and the audited financial statements for the year ended 31 March 2007 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of this annual report and the audited financial statements for the year ended 31 March 2007 on the basis of the books and records made available to the Provisional Liquidators and, where applicable, having made all reasonable enquiries by them. Therefore, the Provisional Liquidators make no representation as to the completeness of the information contained in this annual report, notwithstanding their responsibility for the audited financial statements as set out in the Independent Auditors' Report.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The Company acts as an investment holding company. The principal activities of its subsidiaries and associated companies are set out in detail in notes 19 and 37 to the consolidated financial statements respectively.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 8 to the consolidated financial statements.

The Company was struck off in the Register of Companies by the Registrar of Companies in Bermuda on 20 October 2006 due to non-payment of its 2006 annual government fees and late penalties. Upon their appointment, the Provisional Liquidators settled the outstanding annual government fees and late penalties and filed an affirmation to the Supreme Court of Bermuda (the "Bermuda Court") to reinstate the Company's registration status in Bermuda. On 7 February 2008, the Bermuda Court ordered to restore the Company to the Register of Companies in Bermuda and pursuant to section 261 of the Companies Act 1981 of Bermuda (as amended), the Company is deemed to have continued in existence as if its name had not been struck off.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2007, the Group had net current liabilities of approximately HK$96 million, compared with the net current liabilities of approximately HK$29.1 million as at 31 March 2006, an increase of HK$66.9 million.

As at 31 March 2007, the Company had outstanding convertible bonds amounted to US$1.8 million (equivalent to HK$14,040,000).

The Group's total borrowings amounted to approximately HK$44.2 million (2006: approximately HK$40.9 million). Borrowings due for payment within one year is approximately HK$44.2 million (2006: approximately HK$16.9 million). Borrowings due for payment within two to five years is HK$ nil (2006: approximately HK$24 million).

The Group had bank balances and cash of approximately HK$1.6 million as at 31 March 2007 (2006: approximately HK$1.7 million).

As at 31 March 2007, the Group's current ratio of current assets to current liabilities was 0.40 (2006: 0.80). The gearing ratio, as a ratio of total liabilities to total assets, was 1.98 (2006: 1.18).

The Group had limited exposure to foreign exchange rate fluctuations as most of its transactions, including borrowings, were mainly conducted in Hong Kong dollars, US dollars or Renminbi, and the exchange rates of these currencies were relatively stable throughout the year.

CAPITAL STRUCTURE

For the year ended 31 March 2007, to the best of the knowledge of the Provisional Liquidators, there was no change in the capital structure and issued share capital of the Company.

DIVIDEND

The Provisional Liquidators do not recommend payment of any dividend for the year ended 31 March 2007 (2006: Nil).

WINDING-UP PETITION AND PROPOSED RESTRUCTURING OF THE GROUP

On 15 November 2006, Lolliman Finance Limited ("Lolliman"), petitioned for the winding-up of the Company. The Company, as guarantor, is required to repay the outstanding loan owed by Holy (Hong Kong) Universal Limited, an indirect wholly owned subsidiary of the Company. Upon Lolliman application, Messrs. Liu Yiu Keung Stephen and Robert Armor Morris, both of Ernst & Young Transactions Limited, were appointed by the HK High Court as the Provisional Liquidators on 17 May 2007 so as to preserve the assets of the Group and to consider and review all restructuring proposals to maximise the recovery of the creditors and shareholders of the Company.

The Company was put into the third and final stage of the delisting procedures pursuant to Practice Note 17 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and if no viable resumption proposal was submitted on or before 12 September 2007, being ten business days before 23 September 2007, the Stock Exchange would intend to cancel the listing status of the Company. Since then, the Provisional Liquidators have been in various discussions with various investors with a view to restructure the Group.

On 5 July 2007, the Company entered into the legally binding Heads of Agreement (as varied by a side-letter dated 26 July 2007) (the "Heads of Agreement") with the investor, Wai Chun Ventures Limited (the "Investor"), in relation to the proposed restructuring of the Group. The Heads of Agreement was subsequently supplemented by a Supplemental Agreement dated 23 August 2007 (the "Supplemental Agreement").

On 12 September 2007 and 19 November 2007, the Company respectively submitted a resumption proposal and a supplement to the resumption proposal to the Stock Exchange setting out the principal terms of the proposed restructuring of the Group and requesting in-principle approval from the Stock Exchange to the resumption proposal (the "Resumption Proposal").

On 23 November 2007, the Listing Committee of the Stock Exchange issued a letter to the Provisional Liquidators confirming that they decided to allow the Company to proceed with the Resumption Proposal, subject to compliance of certain conditions as set out in the in-principle approval letter within six months from 23 November 2007.

The proposed restructuring, if successfully implemented, will, amongst other things, result in the following:

(a) a restructuring of the share capital of the Company through the subscription by the Investor of subscription shares, convertible preference shares and the options to subscribe new shares, which would give rise to gross proceeds of HK$170 million to the Company;

(b) an injection of an additional HK$200 million gross cash proceeds to the Company in the event that the options are exercised in full;

(c) all the creditors discharging and waiving their claims against the Company by way of the schemes of arrangement in Hong Kong and Bermuda, as appropriate; and

(d) resumption of trading in the shares of the Company upon the completion of the proposed restructuring.

Having considered the operations and affairs of the Group, the magnitude of the claims against the Company and its subsidiaries and the third-stage of delisting procedures, the Provisional Liquidators concluded that the Resumption Proposal represents the best means available for the Company to restore its solvency status and to continue with the development and enhancement of its business.

PROSPECTS

The principal business activities of the subsidiaries and associated companies of the Company are set out in the notes to the consolidated financial statements. Beijing HollyBridge System Integration Company Limited (北京合力金橋系統集成技術有限公司) ("Beijing HollyBridge"), a 51%-owned subsidiary of the Company (the remaining 49% shareholders namely北京旭亞榮泰科技發展有限公司 and 北京冠耀投資諮詢有限公司), is engaged in the manufacturing of software, the provision of solutions and related services, and the provision of telecommunication infrastructure solution service in the People's Republic of China (the "PRC"). The existing operations of the Group are principally carried out through Beijing HollyBridge.

Since the Listing Committee of the Stock Exchange has already granted the in-principle approval to the Resumption Proposal submitted by the Company, the transactions contemplated under the Resumption Proposal include an arrangement between the Company and the creditors to settle the indebtedness and also injection of cash through subscription of new shares, convertible preference shares and options to subscribe new shares. With the settlement of the debt in full upon completion of the Resumption Proposal and the injection of additional cash, it is expected that following completion of the transactions contemplated under such Resumption Proposal, the financial and trading position of the Group will be substantially improved.

Since the entering into of the Heads of Agreement and the Supplemental Agreement, the Group, with the support of the Investor, is gradually rebuilding its trading position via Beijing HollyBridge. Upon the completion of the Resumption Proposal, the Group will be in a better position to further expand and develop the system integration business carried out by Beijing HollyBridge.

On the basis of the above, it is expected that the trading position of the Group will also be substantially improved following completion of the transactions contemplated under the Resumption Proposal. The higher level of activities of Beijing HollyBridge since the signing of the Heads of Agreement and the Supplemental Agreement and the new and future contracts all bode well for the future prospect of the Group.

PLEDGE OF ASSETS

Details are set out in note 31 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in the issued share capital during the year. Details are set out in note 28 to the consolidated financial statements.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Main Board of the Stock Exchange has been suspended since 17 December 2004.

SEGMENTAL INFORMATION

Details are set out in note 8 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Details are set out in note 34 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details are set out in note 35 to the consolidated financial statements.

CONTINGENT LIABILITIES

Details are set out in the section headed "Litigations" in note 33 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 26.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 30 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and the Company during the year are set out in note 16 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers of the Group accounted for approximately 62% of the Group's purchases. The largest supplier accounted for approximately 19% of the purchases made by the Group.

Aggregate sales attributable to the Group's five largest customers accounted for approximately 55% of the total turnover. The largest customer accounted for approximately 29% of the total turnover of the Group.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the Provisional Liquidators owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published consolidated results, assets, liabilities and minority interests of the Group for the last five financial years is set out on page 84. This summary is for information purposes only, it does not form part of the audited financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were the following:

Executive directors:

Mr. Zou Yishang *(Chairman & Chief Executive Officer)*	
Mr. Hu Jian *(Chief Operating Officer)*	
Mr. Zou Yicheng	
Mr. Cui Jingya	
Mr. Liu Yiquan	(appointed on 16 May 2007)
Mr. Zhang Yi	(appointed on 16 May 2007)
Ms. Chow King Lin, Theresa	(resigned on 29 March 2007)

Non-executive director:

Mr. Weng Xianding

Independent non-executive directors:

Mr. Chan Kin Sang	(appointed on 1 November 2007)
Mr. Choi Man On	(appointed on 1 November 2007)
Mr. Young Meng Cheung Andrew	(appointed on 1 November 2007)
Mr. Zhao Renwei	(resigned on 14 June 2007)
Mr. Wang Xiangfei	(resigned on 1 January 2007)
Mr. Xu Xiaosheng	(resigned on 15 January 2007)

In accordance with Bye-laws, 87(1) and 87(2) of the Company's bye-laws, Mr. Zou Yicheng will retire by rotation and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Except for Mr. Zou Yishang, no director (including the non-executive directors and independent non-executive directors) has entered into any service agreements with the Company. In accordance with Bye-laws 87(1) and 87(2) of the Company's bye-laws, the terms of office of the directors are subject to retirement by rotation at annual general meetings.

In accordance with Bye-law 86(2) of the Company's bye-laws, Mr. Liu Yiquan, Mr. Zhang Yi, Mr Chan Kin Sang, Mr. Young Meng Cheung Andrew and Mr. Choi Man On shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES

To the best of the knowledge of the Provisional Liquidators, as at 31 March 2007, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Long position in the shares of the Company:

Name of director	Capacity	Type of interests	Aggregate long position in shares and underlying shares	*Notes*	Approximate % of the issued share capital
Mr. Zou Yishang	Beneficial owner	Corporate	264,730,790	*(1)*	19.03
	Interest of spouse	Family	698,000	*(2)*	0.05
	Beneficial owner	Personal	20,000,000	*(4)*	1.44
Mr. Hu Jian	Beneficial owner	Personal	3,800,000	*(4)*	0.27
Ms. Chow King Lin, Theresa	Beneficial owner	Personal	2,006,000	*(5)*	0.14
Mr. Zou Yicheng	Beneficial owner	Personal	1,350,000	*(3)*	0.10

Notes:

1. These 264,730,790 shares are beneficially owned by Able Technology Limited, which is wholly owned by Mr. Zou Yishang.

2. These 698,000 shares are beneficially owned by Ms. Cui Xia, the spouse of Mr. Zou Yishang. By virtue of the SFO, Mr. Zou Yishang is taken to be interested in these 698,000 shares.

3. These 1,350,000 shares are beneficially owned by Mr. Zou Yicheng, the brother of Mr. Zou Yishang. By virtue of the SFO, Mr. Zou Yishang is taken to be interested in these 1,350,000 shares. Mr. Zou Yishang and Mr. Zou Yicheng are considered to have 19.18% effective interest of the issued share capital of the Company.

4. These shares represent the interests of the directors under the share option scheme of the Company which have yet been exercised.

5. Amongst these 2,006,000 shares, the 2,000,000 shares represent Ms. Chow King Lin, Theresa's interests under the share option scheme as the Company's director (which have been lapsed in June 2007 due to her resignation) while 6,000 shares are owned by Ms. Chow King Lin, Theresa personally.

Save as disclosed above, as at 31 March 2007, to the best of the knowledge of the Provisional Liquidators, none of the directors or the chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

The interests of the directors in the share options of the Company are separately disclosed on page 18 under the section headed "Share Option Scheme" and in note 29 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of the Provisional Liquidators, as at 31 March 2007, other than the interests and short positions of the directors or chief executives of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the shares of the Company

Name of substantial shareholder	Capacity	Type of interests	Number of issued ordinary shares held	*Note*	Approximate % of the issued share capital of the Company
Poly (Hong Kong) Investments Limited (formerly known as "Continental Mariner Investment Co., Ltd.")	Interest of a controlled corporation	Corporate	117,636,000		8.46
New Industries Investment Consultants (HK) Limited	Beneficial owner	Corporate	107,710,000		7.74
Mr. Li Quan	Beneficial owner	Individual	78,382,000		5.63
BAPEF Investments II Limited	Beneficial owner	Corporate	61,995,547	(1)	4.46
Baring Asia Private Equity Fund L.P.2	Interest of a controlled corporation	Corporate	61,995,547	(1)	4.46

Note (1) Baring Asia Private Equity Fund L.P.2, the controlling shareholder of BAPEF Investments II Limited ("BAPEF"), is an interested party to these 61,995,547 shares. Apart from these shares, to the best of the knowledge of the Provisional Liquidators, BAPEF had conversion rights over 58,142,448 shares to convert the principal amount of the convertible bonds of US$1.8 million. Please refer to note 26 of the Notes to Financial Statements for details.

Save as disclosed above, as at 31 March 2007, to the best of the knowledge of the Provisional Liquidators, the Company has not been notified by any persons (other than the directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme and other details are set out in note 29 to the consolidated financial statements.

To the best of the knowledge of the Provisional Liquidators, the following share options were outstanding under the Company's share option scheme during the year:

Name and category of participants	Number of share options At 1 April 2006	Granted during the year	Lapsed during the year	At 31 March 2007	Date of Grant	Exercisable period	Exercise price/share (HK$)
Directors							
Mr. Zou Yishang	20,000,000	–	–	20,000,000	29 August 2001	29 August 2001 to 28 August 2011 *(Note a)*	0.3520
Mr. Hu Jian	3,800,000	–	–	3,800,000	29 August 2001	29 August 2001 to 28 August 2011 *(Note a)*	0.3520
Ms. Chow King Lin, Theresa	1,000,000	–	–	1,000,000	3 August 2001	3 August 2001 to 2 August 2011 *(Notes b & c)*	0.3672
	1,000,000	–	–	1,000,000	29 August 2001	29 August 2001 to 28 August 2011 *(Notes a & c)*	0.3520
	25,800,000	–	–	25,800,000			
Other employees in aggregate	1,000,000	–	–	1,000,000	3 August 2001	3 August 2001 to 2 August 2011 *(Notes b & d)*	0.3672
	21,819,000	–	(1,100,000)	20,719,000	29 August 2001	29 August 2001 to 28 August 2011 *(Note a)*	0.3520
	22,819,000	–	(1,100,000)	21,719,000			
	48,619,000	–	(1,100,000)	47,519,000			

Note a: The options are vested in four tranches in the proportion of 15%: 25%: 30%: 30%. The first, the second, the third and the fourth tranches of the options were vested on 1 April 2002, 1 April 2003, 1 April 2004 and 1 April 2005 respectively.

Note b: The options were immediately vested on the date of grant.

Note c: Subsequent to Ms. Chow King Lin, Theresa's resignation on 29 March 2007, her share options of 2,000,000 were lapsed in June 2007.

Note d: Two employees' share options in a total amount of 1,000,000 were lapsed in December 2007. Together with the share options lapsed mentioned in note c, as at the date of this annual report, the total amount of share options is 44,519,000.

During the year, no options were cancelled by the Company and no options were exercised by the grantees.

The Provisional Liquidators do not consider it appropriate to disclose a theoretical value of the share options granted, because in the absence of a readily available market value for the share option in the ordinary shares of the Company, the Provisional Liquidators were unable to arrive at an accurate assessment of the value of the share options.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from as disclosed under the headings "Directors' Interests in Shares" and "Share Option Scheme" above, to the best of the knowledge of the Provisional Liquidators having made all reasonable enquiries, as at 31 March 2007, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

During the year, to the best of the knowledge of the Provisional Liquidators, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

To the best of the knowledge of the Provisional Liquidators, the Provisional Liquidators are not aware of any 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, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

LITIGATIONS

Details of legal actions are set out in note 33 to the consolidated financial statements.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2007, the Group had approximately 50 (2006: 66) employees. Total staff cost (including directors' emoluments) incurred during the year amounted to HK$8.09 million (2006: HK$10.5 million).

Remuneration packages are generally structured by reference to market terms and individuals merits. Salaries are normally reviewed and bonuses paid on an annual basis based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include a mandatory provident fund scheme, a share option scheme and medical insurance.

The emoluments of the directors of the Company are determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the directors, and employment conditions elsewhere in the Company and desirability of performance-based remuneration.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, the trading in shares of the Company remains in suspension; the sufficiency of public float as required by the Listing Rules is not applicable.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

To the best of the knowledge of the Provisional Liquidators, each of the independent non-executive directors of the Company has provided to the Company an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent.

POST-BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 36 to the consolidated financial statements.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Provisional Liquidators were appointed to the Company on 17 May 2007. Consequently, the Provisional Liquidators are unable to comment as to whether the Company complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the financial year ended 31 March 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Provisional Liquidators were appointed to the Company on 17 May 2007. Consequently, the Provisional Liquidators are unable to comment as to whether the Company complied with the required standard set out in the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding the securities transactions by the directors throughout the financial year ended 31 March 2007.

AUDIT COMMITTEE

To the best of the knowledge of the Provisional Liquidators, the Company had an audit committee comprising the three former Independent Non-executive Directors ("INEDs"), namely Messers. Wang Xiangfei, Xu Xiaosheng and Zhao Renwei, until their resignation as directors. At the Company's board meeting held on 4 December 2007, the audit committee was resumed comprising three newly appointed INEDs, namely Messers. Choi Man On (who also acts as the chairman of the audit committee), Young Meng Cheung Andrew and Chan Kin Sang. The audit committee will consider the Group's financial reporting and internal control and to maintain an appropriate relationship with the auditors of the Company in accordance with the requirements of the Code on Corporate Governance Practices.

MANAGEMENT ANALYSIS

The Provisional Liquidators were appointed to the Company on 17 May 2007. Consequently, apart from the information disclosed in this report of the Provisional Liquidators and Notes to the Financial Statements, the Provisional Liquidators are unable to comment as to the performance of the Group as set out in paragraph 32 in Appendix 16 to the Listing Rules throughout the year.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Morison Heng, Chartered Accountants, Certified Public Accountants, as auditors of the Company.

For and on behalf of
Plus Holdings Limited
(Provisional Liquidators Appointed)

Liu Yiu Keung Stephen
Robert Armor Morris
Joint and Several Provisional Liquidators
who act without personal liabilities

Hong Kong, 29 February 2008

TO THE PROVISIONAL LIQUIDATORS OF PLUS HOLDINGS LIMITED (PROVISIONAL LIQUIDATORS APPOINTED)

普 納 集 團 有 限 公 司

(已委任臨時清盤人)

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Plus Holdings Limited (Provisional Liquidators Appointed) (the "Company') and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 83 which comprise the consolidated and company's balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

PROVISIONAL LIQUIDATORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Provisional Liquidators are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) ("Companies Ordinance"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (as amended), 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 as described in the basis for qualified opinion paragraph, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

BASIS FOR QUALIFIED OPINION

MATERIAL UNCERTAINTY RELATING TO THE GOING-CONCERN BASIS

In forming the opinion, the auditors have considered the adequacy of the disclosures made in note 2 to the financial statements which explains that a Heads of Agreement (as varied by a side-letter dated 26 July 2007) and a Supplemental Agreement regarding a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") were entered into on 5 July 2007 and 23 August 2007 respectively, between the investor and the Company. The Resumption Proposal involves capital reorganisation, debt restructuring, subscription of new shares, convertible preference shares and options, a whitewash wavier and group restructuring.

The financial statements have been prepared on a going-concern basis on the assumption that the Resumption Proposal will be successfully completed and that, following the financial restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The financial statements do not include any adjustments that would result from a failure to complete the financial restructuring or to obtain other funding. However, in view of the extent of the material uncertainty relating to the completion of the financial restructuring, the auditors qualify their opinion in respect of the material uncertainty relating to the going-concern basis.

QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

In the auditors' opinion, except for the effects of any adjustments, if any, as might have been determined to be necessary had they been able to satisfy themselves as to the material uncertainty relating to the going-concern basis as described above, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly in accordance with the disclosure requirements of the Companies Ordinance.

Morison Heng
Chartered Accountants
Certified Public Accountants

Hong Kong, 29 February 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
Turnover	7	69,060	77,229
Cost of sales		(59,970)	(65,110)
Gross profit		9,090	12,119
Other operating income	9	10,233	12,911
Selling and distribution expenses		(661)	(1,161)
Administrative expenses		(15,905)	(19,623)
Other operating expenses		(39,000)	(2,438)
(Loss)/Profit from operations	10	(36,243)	1,808
Share of results of associates		(1,069)	(90)
Finance costs	11	(17,954)	(2,718)
Loss before taxation		(55,266)	(1,000)
Taxation	14	1,427	(388)
Loss for the year		(53,839)	(1,388)
Attributable to:			
Equity holders of the Company		(50,480)	(1,210)
Minority interests		(3,359)	(178)
		(53,839)	(1,388)
Loss per share			
Basic	15	(3.63) cents	(0.09) cents
Diluted		N/A	N/A

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment	16	1,242	1,514
Goodwill	17	11,160	22,319
Interests in associates	19	3,824	4,734
		16,226	28,567
Current assets			
Inventories	20	23,096	42,581
Trade and other receivables	21	28,700	43,889
Financial assets at fair value through profit or loss	22	5,565	18,622
Amounts due from related companies	23	6,117	8,396
Bank balances and cash		1,587	1,681
		65,065	115,169
Current liabilities			
Trade and other payables	24	94,703	99,344
Amount due to a related company	35	3,898	3,062
Amounts due to directors	35	19	415
Amount due to an associate	35	152	145
Tax payable		4,043	10,378
Borrowings – due within one year	25	44,231	16,886
Convertible bonds – due within one year	26	14,040	14,040
		161,086	144,270
Net current liabilities		(96,021)	(29,101)
Total assets less current liabilities		(79,795)	(534)

CONSOLIDATED BALANCE SHEET

As at 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
Financed by:			
Share capital	28	139,116	139,116
Reserves	30	(218,911)	(168,431)
Shareholders' funds		(79,795)	(29,315)
Minority interests		–	3,359
Total equity		(79,795)	(25,956)
Non-current liabilities			
Borrowings – due after one year	25	–	24,025
Deferred taxation	27	–	1,397
		–	25,422
		(79,795)	(534)

The financial statements on pages 26 to 83 were approved and authorised for issue by the Provisional Liquidators on 29 February 2008.

Stephen Liu Yiu Keung
(Provisional Liquidator)

Robert Armor Morris
(Provisional Liquidator)

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment	16	–	–
Interests in subsidiaries	18	10	10
		10	10
Current assets			
Other receivables		–	800
Amount due from a related company		50	50
		50	850
Current liabilities			
Other payables and accruals		23,540	20,674
Amounts due to directors		81	395
Amounts due to subsidiaries		60	56
Borrowings – due within one year	25	8,049	8,049
Convertible bonds – due within one year	26	14,040	14,040
		45,770	43,214
Net current liabilities		(45,720)	(42,364)
Total assets less current liabilities		(45,710)	(42,354)
Capital and Reserves			
Share capital	28	139,116	139,116
Reserves	30	(184,826)	(181,470)
		(45,710)	(42,354)

Approved by the Provisional Liquidators on 29 February 2008.

Stephen Liu Yiu Keung	**Robert Armor Morris**
(Provisional Liquidator)	*(Provisional Liquidator)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2007

	Attributable to equity holders of the Company						
	Share capital	Share premium	Translation reserve	Accumulated losses	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 31 March 2005	139,116	383,117	27	(550,365)	(28,105)	3,537	(24,568)
Loss for the year	–	–	–	(1,210)	(1,210)	(178)	(1,388)
Balance at 31 March 2006	139,116	383,117	27	(551,575)	(29,315)	3,359	(25,956)
Translation difference	–	–	(27)	27	–	–	–
Loss for the year	–	–	–	(50,480)	(50,480)	(3,359)	(53,839)
Balance at 31 March 2007	139,116	383,117	–	(602,028)	(79,795)	–	(79,795)

	2007	2006
	HK$'000	*HK$'000*
Cash flow from operating activities		
Loss before taxation	(55,266)	(1,000)
Adjustments for:		
Allowance for amounts due from related companies	6,234	–
Bad debts written off	2,014	–
Depreciation	302	679
Dividend income from financial assets at fair value through profit and loss	(894)	(293)
Impairment loss on goodwill	11,159	–
Interest expense	17,954	2,718
Interest income	(6)	(24)
Loss on disposal of property, plant and equipment	9	13
Provision for bad and doubtful debts	10,439	–
Realised loss on financial assets at fair value through profit or loss	1,937	265
Share of results of associates	1,069	90
Unrealised holding (loss)/gain on financial assets at fair value through profit or loss	327	(9,106)
Waiver of other borrowings	–	(2,057)
Wavier of other payables and accruals	(6,168)	–
Written-off of property, plant and equipment	17	–
Reversal of provisions for obsolete inventories	(461)	–
Operating loss before working capital changes	(11,334)	(8,715)
Decrease in inventories	19,946	7,366
Decrease in trade and other receivables	2,736	38,320
Increase in amounts due from related companies	(3,955)	(107)
Decrease in trade and other payables	(4,732)	(38,261)
Increase in amount due to a related company	836	1,812
Decrease in amounts due to directors	(396)	(548)
Increase/(Decrease) in amount due to an associate	7	(5,380)
Cash generated from/(used in) operations	3,108	(5,513)
Interest paid	(17,954)	(857)
Tax paid	(76)	(220)
Net cash used in operating activities	(14,922)	(6,590)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2007

	2007	2006
	HK$'000	*HK$'000*
Cash flow from investing activities		
Interest received	6	24
Dividends received	894	293
Purchases of property, plant and equipment	(4)	(7)
Proceeds from disposal of financial assets at fair value through profit and loss	10,793	2,863
Proceeds on disposals of property, plant and equipment	12	11
Net cash inflow from investing activities	11,701	3,184
Cash flow from financing activities		
New borrowings raised	5,742	400
Repayments of borrowings	(2,422)	(20)
Net cash from financing activities	3,320	380
Net increase/(decrease) in cash and cash equivalents	99	(3,026)
Cash and cash equivalents at beginning of year	1,681	4,826
Effect of foreign exchange rate changes	(193)	(119)
Cash and cash equivalents at end of year	1,587	1,681
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	1,587	1,681

1. General

Plus Holdings Limited (Provisional Liquidators Appointed) (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") but have been suspended for trading since 17 December 2004.

The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and the principal place of business for the Company was Room C, 7th Floor, Sun House, 90 Connaught Road Central, Hong Kong. This Hong Kong office was surrendered to the landlord on 31 August 2007. The principal place of business is now the office of the joint and several provisional liquidators of the Company (the "Provisional Liquidators") at 18th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the company as the Company is a public company incorporated in Bermuda with its shares listed in the Stock Exchange, where most of its investors are located in Hong Kong. The majority of the Company's subsidiaries are operated in the People's Public of China (the "PRC") with Renminbi as their functional currency.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associates are set out in notes 19 and 37 to the consolidated financial statements respectively.

2. Basis of preparation

The Company and its subsidiaries (the "Group") incurred a consolidated loss attributable to equity holders of the Company of approximately HK$50,480,000 for the year ended 31 March 2007 (2006: approximately HK$1,210,000) and as at 31 March 2007 the Group had net current liabilities of approximately HK$96,021,000 (2006: approximately HK$29,101,000) and deficiency in the shareholders' fund of approximately HK$79,795,000 (2006: approximately HK$29,315,000). The Group had overdue borrowings of approximately HK$44,231,000 (2006: approximately HK$40,911,000). These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going-concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 15 November 2006, Lolliman Finance Limited ("Lolliman"), petitioned for the winding-up of the Company. The Company, as guarantor, is required to repay the outstanding loan owed by Holy (Hong Kong) Universal Limited, an indirect wholly owned subsidiary of the Company ("Holy HK"). Upon Lolliman application, Messrs. Liu Yiu Keung Stephen and Robert Armor Morris, both of Ernst & Young Transactions Limited, were appointed as the Provisional Liquidators on 17 May 2007 by the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "HK High Court") so as to preserve the assets of the Group, to consider and review all restructuring proposals to maximise the recovery of the creditors and shareholders of the Company..

2. Basis of preparation (continued)

As such, the Provisional Liquidators do not have the same knowledge of the financial affairs of the Group as the directors of the Company would have, particularly in relation to the transactions entered into by the Group prior to the appointment date. The board of directors of the Company (the "Board") has also authorised the Provisional Liquidators to approve, publish and do all such acts in connection with the publication of this annual report and the relevant announcement.

The Provisional Liquidators are responsible for the accuracy and completeness of the contents of these audited financial statements for the year ended 31 March 2007 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 March 2007 based on the books and records made available to the Provisional Liquidators.

The Provisional Liquidators make no representation as to the completeness of the information contained in these financial statements.

Trading in the Company's share on the Stock Exchange has been suspended since 17 December 2004. The Company has been placed into the third and final stage of delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") on 24 March 2007. If no viable resumption proposal was submitted at least ten business days before 23 September 2007, the Stock Exchange would intend to cancel the listing status of the Company.

The Provisional Liquidators have appointed financial advisers to the Company (the "Financial Advisers"). Since then, the Provisional Liquidators and the Financial Advisers have been in discussions and negotiations with various potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

On 5 July 2007, the Company entered into the legally binding Heads of Agreement (the "Heads of Agreement") (as varied by a side-letter dated 26 July 2007) with an investor, Wai Chun Ventures Limited (the "Investor"), in relation to the proposed restructuring of the Group. The Heads of Agreement was subsequently supplemented by a Supplemental Agreement dated 23 August 2007 (the "Supplemental Agreement").

On 12 September 2007 and 19 November 2007, the Company respectively submitted a resumption proposal and a supplement to the resumption proposal to the Stock Exchange setting out the principal terms of the proposed restructuring of the Group and requesting the in-principle approval from the Stock Exchange to the resumption proposal (the "Resumption Proposal").

On 23 November 2007, the Listing Committee of the Stock Exchange issued a letter to the Provisional Liquidators confirming them that they decided to allow the Company to proceed with the Resumption Proposal, subject to compliance of certain conditions as set out in the in-principle approval letter within six months from 23 November 2007.

2. Basis of preparation (continued)

The proposed restructuring, if successfully implemented, will, amongst other things, result in the following:

(a) a restructuring of the Company through the subscription by the Investor of subscription shares, convertible preference shares and the options to subscribe new shares, which would give rise to a funding of HK$170 million to the Company;

(b) an injection of an additional HK$200 million cash funds to the Company in the event that the options are exercised in full;

(c) all the creditors discharging and waiving their claims against the Company by way of the schemes of arrangement in Hong Kong and Bermuda (the "Schemes"), as appropriate; and

(d) resumption of trading in the shares of the Company upon completion of the proposed restructuring (the "Completion").

Having received and considered the operations and affairs of the Group, the magnitude of the claims against the Company and its subsidiaries and the third-stage delisting procedures, the Provisional Liquidators concluded that the Resumption Proposal supported by the Investor represents the best means available for the Company to be returned to solvency and to continue with the development and enhancement of its business.

Should the Group be unable to achieve a successful restructuring as mentioned above, and continue in business as a going-concern, adjustments might have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities, respectively.

3. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the New HKFRSs had no material effect on how the results and the financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. Application of new and revised Hong Kong Financial Reporting Standards (continued)

The Group has not promptly applied the following New HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of what the impact of these New HKFRS is expected to be in the period of the initial application.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKAS 23 (Revised)	Borrowing Costs[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – INT 8	Scope of HKFRS 2[3]
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment[5]
HK(IFRIC) – INT 11	HKFRS 2: Group and Treasury Share Transactions[6]
HK(IFRIC) – INT 12	Service Concession Arrangements[7]

Notes:

1 Effective for annual periods beginning on or after 1 January 2007
2 Effective for annual periods beginning on or after 1 January 2009
3 Effective for annual periods beginning on or after 1 May 2006
4 Effective for annual periods beginning on or after 1 June 2006
5 Effective for annual periods beginning on or after 1 November 2006
6 Effective for annual periods beginning on or after 1 March 2007
7 Effective for annual periods beginning on or after 1 January 2008

4. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Companies Ordinance (Cap 32 of the Laws of Hong Kong).

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

Basis of consolidation

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

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

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

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

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

4. Significant accounting policies (continued)

Business combinations

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

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

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

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

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

For previously capitalised goodwill arising on acquisition of subsidiaries, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on acquisitions on or after 1 January 2005

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

4. Significant accounting policies (continued)

Goodwill (continued)

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

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

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

Associated companies

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

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

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.

4. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably on the following bases:

(a) Sales of goods are recognised when goods are delivered and title has passed;

(b) Integration services, services income and contract income are recognised upon receipt of acceptance from outside customers;

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

(d) Dividend income from investments is recognised when the shareholder's rights to receive payment is established.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

Building	2% to 4%
Leasehold improvements	20% or over the terms of the lease, whichever is the shorter
Furniture, fixtures and office equipment	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

4. Significant accounting policies (continued)

Financial instruments

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

Financial assets

The Group's financial assets mainly include financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

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

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Borrowings

Bank borrowings are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing is recognised over the term of the borrowings.

4. Significant accounting policies (continued)

Financial liabilities and equity (continued)

Other financial liabilities

Other financial liabilities including creditors and bills payable are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derivatives

Derivatives that do not qualify for hedge accounting are deemed as financial assets/ financial liabilities held for trading and are measured at fair value with fair value changes recognised in profit or loss, except for derivative instruments which are linked to and must be settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured and such derivative instruments are stated at cost less impairment, if applicable.

Derecognition

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

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

Inventories

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

Provisions

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

4. Significant accounting policies (continued)

Taxation

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

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

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

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

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

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

Leased assets

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on the straight-line basis over the lease terms.

4. Significant accounting policies (continued)

Foreign currencies

(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 Currency and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. 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.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– 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 exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. Significant accounting policies (continued)

Retirement benefit schemes

The Group operates a defined contribution retirement benefits scheme (the Mandatory Provident Fund ("MPF")) under the MPF Schemes Ordinance, for all of its employees who are eligible to participate in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in the retirement benefits schemes (the "PRC RB Schemes") operated by the respective local municipal government in provinces of the PRC where the Group's subsidiaries operate. These subsidiaries are required to contribute a certain percentage of their payroll costs to the PRC RB Schemes to fund the benefits. The only obligation of the Group with respect to the PRC RB Schemes is to pay the ongoing required contributions under the PRC RB Schemes. Contributions under the PRC RB Schemes are charged to the income statement as they become payable in accordance with the rule of the PRC RB Schemes.

Borrowing costs

All borrowing costs are recognised as expenses in the year in which they are incurred.

5. Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

In the process of applying the Group's accounting policies which are described in note 4, management has made the following judgements that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Going-concern basis

These financial statements have been prepared on a going-concern basis, the validity of which depends upon being able to achieve a successful restructuring and continue business. Details are explained in note 2 to the financial statements.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Allowance for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and an aged analysis of accounts, and 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, resulting in an impairment of their ability to make payments, additional allowances may be required. Allowance for bad and doubtful debts of approximately HK$10,439,000 was made for the year ended 31 March 2007.

Allowance for inventories

The management of the Group reviews an ageing analysis at each balance sheet date, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete items.

Contingent liabilities in respect of litigations and claims

The Group has been engaged in a number of litigations and claims in the past. Contingent liabilities arising from these litigations and claims have been assessed by management with reference to legal advice. Provisions on the possible obligation, if appropriate, are made based on management's best estimates and judgements.

6. Financial Risk Management Objectives And Policies

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

Currency risk

Several subsidiaries of the Company have foreign currency sales and borrowings denominated in foreign currencies which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Fair value interest rate risk

The Group's fair value interest rate risks and cash flow interest rate risk relate primarily to fixed-rate and variable-rate borrowings, respectively (see note 25 for details of these borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

The Group was exposed to significant liquidity risk as at the balance sheet date: it has net current liabilities of HK$96,021,000. The Group is in the process of negotiating with the Investor to provide funding.

7. Turnover

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers during the year. Details are summarised as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Turnover		
Sales and integration services	50,999	63,242
Services income	14,555	13,842
Contract income	3,506	145
	69,060	77,229

8. Business And Geographical Segments

Business segments

For management purposes, the Group is currently organised into three operating divisions – sales and integration services, services income and contract income. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Sales and integration services	–	income from sales and service, provision of integration services of computer and communication systems
Services income	–	income from design, consultation, production of information system software and management training services
Contract income	–	income in connection with the sale of communication systems equipment for intelligent buildings and provision of instalation services

8. Business And Geographical Segments (Continued)

Business segments (continued)

Segment information about these businesses is presented below:

For the year ended 31 March 2007

Consolidated Income Statement

	Sales and integration services *HK$'000*	Services income *HK$'000*	Contract income *HK$'000*	Consolidated *HK$'000*
TURNOVER				
External sales	50,999	14,555	3,506	69,060
SEGMENT RESULTS	(33,077)	(2,587)	1,300	(34,364)
Unallocated corporate income				6,966
Unallocated corporate expenses				(8,845)
Loss from operations				(36,243)
Share of results of associates				(1,069)
Finance costs				(17,954)
Loss before taxation				(55,266)
Taxation				1,427
Loss for the year				(53,839)

8. Business And Geographical Segments (Continued)

Business segments (continued)

Other information

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Others HK$'000	Consolidated HK$'000
Capital additions	3	1	–	–	4
Depreciation	216	69	15	2	302
Bad debts written off	1,480	432	102	–	2,014
Allowance for amounts due from related companies	4,603	1,314	317	–	6,234
Impairment loss on goodwill	8,241	2,352	566	–	11,159
Provision for bad and doubtful debts	6,891	2,002	474	1,072	10,439
Written-off of property, plant and equipment	–	–	–	17	17
Loss on disposal of property, plant and equipment	6	2	1	–	9

As at 31 March 2007

Consolidated Balance Sheet

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	40,975	9,929	2,817	53,721
Unallocated corporate assets				27,570
Consolidated total assets				81,291
LIABILITIES				
Segment liabilities	57,627	19,730	3,962	81,319
Unallocated corporate liabilities				79,767
Consolidated total liabilities				161,086

8. Business And Geographical Segments (Continued)

Business segments (continued)

For the year ended 31 March 2006

Consolidated Income Statement

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Consolidated HK$'000
TURNOVER				
External sales	63,242	13,842	145	77,229
Segment results	(6,299)	5,516	124	(659)
Unallocated corporate income				9,662
Unallocated corporate expenses				(7,195)
Profit from operations				1,808
Share of results of associates				(90)
Finance costs				(2,718)
Loss before taxation				(1,000)
Taxation				(388)
Loss for the year				(1,388)

Other information

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Others HK$'000	Consolidated HK$'000
Capital additions	6	1	–	–	7
Depreciation and amortisation	537	118	1	23	679
Allowance for obsolete inventories	1,511	331	3	–	1,845
Allowance for other receivables	258	56	1	–	315
Loss on disposal of property, plant and equipment	11	2	–	–	13

8. Business And Geographical Segments (Continued)

Business segments (continued)

As at 31 March 2006

Consolidated Balance Sheet

	Sales and integration services	Services income	Contract income	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Segment assets	79,614	17,846	183	97,643
Unallocated corporate assets				46,093
Consolidated total assets				143,736
LIABILITIES				
Segment liabilities	83,991	20,923	193	105,107
Unallocated corporate liabilities				64,585
Consolidated total liabilities				169,692

Geographical segments

No geographical segment analysis is provided as substantially all of the Group's turnover and contribution to results were derived from the PRC.

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2007	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	24,475	37,837	–	–
PRC, excluding Hong Kong	56,816	105,899	4	7
	81,291	143,736	4	7

9. Other Operating Income

Other operating income comprises:

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Bank interest income	6	24
Dividend income from financial assets at fair value through profit and loss	894	293
Exchange gain	–	11
Other operating income	2,704	1,420
Unrealised holding gain on financial assets at fair value through profit and loss	–	9,106
Waiver of other borrowings	–	2,057
Reversal of provisions for obsolete inventories	461	–
Waiver of other payables and accruals	6,168	–
	10,233	12,911

10. (Loss)/Profit From Operations

	THE GROUP 2007 HK$'000	THE GROUP 2006 HK$'000
(Loss)/Profit from operations has been arrived after charging:		
Allowance for obsolete inventories	–	1,845
Allowance for other receivables	–	315
Allowance for amounts due from related companies	6,234	–
Auditors' remuneration	360	400
Bad debts written off	2,014	–
Depreciation of property, plant and equipment	302	679
Impairment loss on goodwill	11,159	–
Loss on disposal of property, plant and equipment	9	13
Realised loss on financial assets at fair value through profit and loss	1,937	265
Staff costs (including directors' emoluments)		
– salaries and allowance	8,012	10,450
– provident fund contributions	74	61
Unrealised loss on financial assets at fair value through profit and loss	327	–
Exchange loss	821	–
Provision for bad and doubtful debts	10,439	–
Written-off of property, plant and equipment	17	–
Written-off of unidentified bank balances	1,120	–

11. Finance Costs

	THE GROUP 2007 HK$'000	THE GROUP 2006 HK$'000
Interest on bank overdrafts	–	4
Interest on borrowings wholly repayable within five years	17,954	2,714
	17,954	2,718

12. Directors' Emoluments

The emoluments paid and payable to each of the nine (2006: nine) directors of the Company were as follows:

Name of director	Fees	Salaries and other benefits	Provident fund contribution	2007 Total emoluments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Mr. Zou Yishang	–	2,000	12	2,012
Ms. Chow King Lin, Theresa	–	624	12	636
Mr. Hu Jian	–	159	26	185
Mr. Cui Jingya	–	120	–	120
Mr. Zou Yicheng	–	300	–	300
	–	3,203	50	3,253
Independent non-executive directors				
Mr. Wang Xiangfei	90	–	–	90
Mr. Xu Xiaosheng	95	–	–	95
Mr. Zhao Renwei	–	–	–	–
	185	–	–	185
Non-executive director				
Mr. Weng Xianding	240	–	–	240
	425	3,203	50	3,678

12. Directors' Emoluments (Continued)

Name of director	Fees	Salaries and other benefits	Provident fund contribution	2006 Total emoluments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Mr. Zou Yishang	–	2,000	12	2,012
Ms. Chow King Lin, Theresa	–	624	12	636
Mr. Hu Jian	–	120	58	178
Mr. Cui Jingya	–	110	–	110
Mr. Zou Yicheng	–	266	–	266
	–	3,120	82	3,202
Independent non-executive directors				
Mr. Wang Xiangfei	120	–	–	120
Mr. Xu Xiaosheng	120	–	–	120
Mr. Zhao Renwei	–	–	–	–
	240	–	–	240
Non-executive director				
Mr. Weng Xianding	240	–	–	240
	480	3,120	82	3,682

13. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2006: two) were directors of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining two (2006: three) individuals were as follows:

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Salaries and other benefits	639	916
Provident Fund contributions	20	22
	659	938

	Number of employees	
	2007	**2006**
Their emoluments were within the following band:		
HK$1,000,000 or below	2	3

14. Taxation

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Taxation charge comprises:		
Taxation in the PRC:		
– current year	76	220
Deferred tax:		
– (credit)/charge for the year	(1,503)	168
	(1,427)	388

No Hong Kong Profits Tax has been provided for in the financial statements as the Company has sustained a loss for the year (2006: Nil).

Taxation in the PRC is calculated at the rates of taxation prevailing in the PRC.

14. Taxation (continued)

The charge for the year can be reconciled to the loss per the consolidated income statement as follows:

	2007 HK$'000	2006 HK$'000
Loss before taxation	(55,266)	(1,000)
Tax at the applicable income tax rate	(9,672)	(175)
Tax effect of expenses not deductible for tax purposes	26,740	4,248
Tax effect of income not taxable for tax purposes	(17,672)	(4,380)
Tax losses carried forward	604	307
Deferred taxation	(1,503)	168
Effect of PRC taxation	76	220
Taxation charge	(1,427)	388

Details of deferred taxation are set out in note 27 to the financial statements.

15. Loss per share

The calculation of the basic loss per share is based on the loss attributable to shareholders of HK$50,480,000 (2006: HK$1,210,000) and on the weighted average number of ordinary shares in issue during the year of 1,391,162,483 (2006: 1,391,162,483) shares.

Diluted loss per share amounts for the years ended 31 March 2007 and 2006 have not been calculated because the share options outstanding during these years had an anti-dilutive effect on the basic loss per share.

16. Property, plant and equipment

THE GROUP

	Building	Leasehold improvements	Furniture, fixtures and office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
COST				
At 1 April 2005	2,267	66	6,303	8,636
Additions	–	–	7	7
Write-off	–	–	(155)	(155)
Exchange adjustments	58	2	141	201
At 31 March 2006	2,325	68	6,296	8,689
Additions	–	–	4	4
Disposals	–	–	(5,245)	(5,245)
Write-off	–	(68)	(145)	(213)
Exchange adjustments	120	–	282	402
At 31 March 2007	2,445	–	1,192	3,637
DEPRECIATION				
At 1 April 2005	1,311	66	5,091	6,468
Provided for the year	124	–	555	679
Eliminated on write-off	–	–	(131)	(131)
Exchange adjustments	28	2	129	159
At 31 March 2006	1,463	68	5,644	7,175
Provided for the year	128	–	174	302
Eliminated on disposals	–	–	(5,224)	(5,224)
Eliminated on write-off	–	(68)	(128)	(196)
Exchange adjustments	64	–	274	338
At 31 March 2007	1,655	–	740	2,395
NET BOOK VALUE				
At 31 March 2007	790	–	452	1,242
At 31 March 2006	862	–	652	1,514

The building is situated in the PRC and held under medium-term lease.

This building was disposed of subsequently after year ended to one of its suppliers who lodged a claim against a subsidiary of the Company in June 2006. Such disposal represented the repayment of a substantial amount of this subsidiary's debts to the supplier. (Note 33(e))

16. Property, plant and equipment (continued)

THE COMPANY

	Furniture, fixtures and office equipment
	HK$'000
COST	
At 1 April 2005	71
Write-off	(71)
At 31 March 2006 and 2007	–
DEPRECIATION	
At 1 April 2005	71
Eliminated on write-off	(71)
At 31 March 2006 and 2007	–
NET BOOK VALUES	
At 31 March 2007	–
At 31 March 2006	–

17. Goodwill

	THE GROUP
	HK$'000
COST	
At 1 April 2005	30,519
Elimination of accumulated amortisation upon the application of HKFRS 3	(8,200)
At 31 March 2006	22,319
Impairment loss	(11,159)
At 31 March 2007	11,160
AMORTISATION	
At April 1, 2005	8,200
Elimination of accumulated amortisation upon application of HKFRS 3	(8,200)
At 31 March 2006 and 2007	–
CARRYING AMOUNT	
At 31 March 2007	11,160
At 31 March 2006	22,319

During the year ended 31 March 2007, the management determined that the goodwill was impaired by HK$11,159,000 (2006: Nil).

18. Interests in subsidiaries

	THE COMPANY	
	2007	**2006**
	HK$'000	*HK$'000*
Unlisted shares, at cost	108,202	108,202
Less: Impairment loss	(108,192)	(108,192)
	10	10

Particulars of the Company's subsidiaries as at 31 March 2007 are set out in note 37 to the consolidated financial statements.

19. Interests in associates

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Share of net assets	6,408	7,318
Discount on acquisition of an associate	(2,584)	(2,584)
	3,824	4,734

Details of the Group's associates at 31 March 2007 are as follows:

Name	Place of establishment	Principal place of operation	Proportion of nominal value of registered capital held by the Group	Nature of business
北京合力金橋軟件技術有限責任公司	PRC	PRC	39%	Provision of telecommunication infrastructure solution service
北京合力紅帆自動化技術有限公司	PRC	PRC	25.5%	Business licence suspended on 25 November 2005

19. Interests in associates (continued)

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

	2007	2006
	HK$'000	*HK$'000*
Total assets	37,889	50,567
Total liabilities	(9,401)	(10,616)
Net assets	28,488	39,951
Group's share of associates' net assets	5,666	7,946
Exchange adjustments	742	(628)
Less: Allowance for bad and doubtful debt	(2,584)	(2,584)
	3,824	4,734
Revenue	8,302	8,674
Loss for the year	(5,375)	(453)
Group's share of associates' loss for the year	(1,069)	(90)

20. Inventories

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Raw materials and consumables	–	–
Work-in-progress	23,096	42,581
	23,096	42,581

21. Trade and other receivables

According to the contracts entered into with trade customers, an average of 90% of the contract revenue is normally repayable within 90 days from the date of receipt of customers' acceptance, whereas the remaining 10% of trade receivables represent retentions held by customers which are normally due one year after a project is completed. The following is an ageing analysis of trade receivables included in trade and other receivables at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Trade receivables:		
0 – 30 days	846	1,044
31 – 90 days	7,280	842
Over 90 days	9,571	23,531
	17,697	25,417
Other receivables	11,003	18,472
	28,700	43,889

22. Financial Assets at Fair Value Through Profit or Loss

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Listed investments		
– Equity shares in Hong Kong, at market value	5,565	18,622

23. Amounts Due from Related Companies

The amounts due are unsecured, interest-free and repayable on demand.

24. Trade and other Payables

The following is an ageing analysis of trade payables included in trade and other payables at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Trade payables:		
0 – 90 days	3,612	2,984
91 – 180 days	3,942	5,618
Over 180 days	41,291	40,353
	48,845	48,955
Other payables	45,858	50,389
	94,703	99,344

25. Borrowings

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Borrowings	44,231	40,911	8,049	8,049
Analysed as:				
Secured	4,896	2,700	–	–
Unsecured	39,335	38,211	8,049	8,049
	44,231	40,911	8,049	8,049

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Borrowings are repayable:				
Within one year	44,231	16,886	8,049	8,049
In the second to fifth years inclusive	–	24,025	–	–
	44,231	40,911	8,049	8,049
Less: Amount due within one year shown under current liabilities	(44,231)	(16,886)	(8,049)	(8,049)
Balance due after one year	–	24,025	–	–

24. Trade and other Payables (continued)

The repayment term of all other borrowings amounting to HK$44,231,000 have matured before the year-end date. As described in note 2, the Provisional Liquidators are in the process of carrying out a restructuring exercise for the Company and its subsidiaries and are negotiating with its creditors to reschedule the repayment terms of the existing borrowings.

Details of the assets of the Group pledged to secure other borrowings are set out in note 31 to the consolidated financial statements.

26. Convertible Bonds

Pursuant to the subscription letter dated 20 May 1998 made between Baring Asia Flagship Investments B.V. and the Company, the convertible bonds (the "Bonds") in the principal amount of US$6,000,000 (equivalent to approximately HK$46,476,000) were issued by the Company at the direction of Baring Asia Flagship Investments B.V. on 30 June 1998 to Baring Asia Investments II B.V. The Bonds were transferred in or about July 2000 to BAPEF Investments II Limited (the "Bondholder").

The Bonds were, at the option of the Bondholder, convertible on or after 1 July 1998 up to and including 30 June 2001, into fully paid ordinary shares of the Company with a par value of HK$0.10, at an initial conversion price of HK$0.588 per share, subject to adjustment under certain events.

Unless previously redeemed, converted, purchased or cancelled, the Company is required to redeem the Bonds on the original maturity date at 133.75%. An amount of US$2,400,000 (equivalent to approximately HK$18,600,000) was cancelled upon repurchase by the Company during the year ended 31 March 1999. As at 31 March 2000 and 31 March 2001, the outstanding balance of the Bonds was US$3,600,000 (equivalent to approximately HK$28,031,000).

On 7 June 2001, the Company entered into an agreement with Able Technology Limited and the Bondholder pursuant to which the maturity date of the convertible bonds would be extended to 30 June 2003. The conversion price has been revised to HK$0.25 per share, subject to adjustment under certain customarily events. The conversion time of the Bonds is fixed at 31 December 2001, 30 June 2002, 31 December 2002 and 30 June 2003 (or such other time as the Company and Bondholder may agree) to convert US$900,000 (equivalent to approximately HK$7,020,000) on each date. In addition, all accrued interest from 30 June 1998 to the completion of the agreement was waived by the Bondholder in August 2001 upon issuance of 6.88 million ordinary shares of the Company to the Bondholder. In accordance with the supplemental deed entered into by the Company and the Bondholder on 9 August 2001, subject to the due performance by the Company and there being no event of default or potential event of default, the Bonds will not bear any interest. In the circumstances where there is any event of default or potential event of default, interest will be payable on the outstanding principal amount of the Bonds at 2% per annum.

On 28 December 2001, approximately 30.7 million ordinary shares of the Company at a conversion price of HK$0.2366 were issued to the Bondholder to convert the principal amount of Bonds of US$900,000 (equivalent to approximately HK$7,020,000) together with the administrative charges of US$31,770 (equivalent to approximately HK$248,000).

On 30 June 2002, approximately 32.5 million ordinary shares of the Company at a conversion price of HK$0.2236 were issued to the Bondholder to convert the principal amount of Bonds of US$900,000 (equivalent to approximately HK$7,020,000) together with the administrative charges of US$31,770 (equivalent to approximately HK$248,000).

26. Convertible Bonds (continued)

The Bondholder did not exercise the rights to convert the principal amount of Bonds of US$1,800,000 which were fixed to be converted on 31 December 2002 and 30 June 2003.

Changes in the balance of the convertible bonds are as follows:

	THE GROUP & THE COMPANY	
	USD'000	*HK$'000* equivalent
Balance as at 1 April 2006 and 31 March 2007	1,800	14,040

In June 2007, the Bondholder made a claim against the Company on the outstanding principal amount of the Bonds and accrued interests aggregated to US$2,079,052.

27. Deferred Taxation

THE GROUP

	Others
	HK$'000
Balance at 1 April 2005	1,229
Charge to consolidated income statement	168
Balance at 1 April 2006	1,397
Credit to consolidated income statement	(1,503)
Effect on exchange difference	106
Balance at 31 March 2007	–

28. Share Capital

	Number of shares *'000*	Share capital *HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 31 March 2006 and 31 March 2007	3,000,000	300,000
Issued and fully paid:		
At 31 March 2006 and 31 March 2007	1,391,163	139,116

29. Share Option Scheme

The Company's share option scheme (the "Option Scheme") was adopted pursuant to a resolution passed on 22 January 2001.

Summary of the Scheme

(a) Purpose of the Option Scheme

The purpose of the Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group and to retain the services of the employees who will continue to make a valuable contribution to the Group.

(b) Participants of the Option Scheme

Pursuant to the Option Scheme, the Board may grant options to any full-time employees of the Company or its subsidiaries, including executive directors in full-time employment of the Company or any subsidiary, to subscribe for shares in the Company.

(c) Total number of shares available for issue under the Option Scheme

As at 31 March 2007, the total number of shares of the Company available for issue under the options granted pursuant to the Option Scheme was 47,519,000, representing approximately 3.42% of the issued share capital of the Company as at 31 March 2007.

The total number of shares, in respect of which options may be granted under the Option Scheme, is not permitted to exceed 10% of the shares of the Company in issue at any point of time.

29. Share Option Scheme (continued)

(d) Maximum entitlement of each participant

No participant shall be granted an option which, if exercised in full, would result in such person's maximum entitlement exceeding 25% of the aggregate number of shares of the Company for the time being issued and issuable under the Option Scheme.

(e) Time of exercise of options

Pursuant to the Option Scheme, an option may be exercised in accordance with the terms of the Option Scheme at any time during a period to be notified by the Board to each grantee and in any event shall not exceed 10 years from the date of offer of the option.

(f) Payment on acceptance of option

Pursuant to the Option Scheme, HK$1 is payable by each grantee to the Company on acceptance of the option within the period to be notified by the Board.

(g) Basis of determining the subscription price

The subscription price per share under the Option Scheme is determined by the Board and notified to the grantee and shall be no less than the higher of:

(i) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of grant;

(ii) the closing price of the Company's shares as quoted on the Stock Exchange on the date of grant; and

(iii) the nominal value of the share of the Company.

(h) Remaining life of the Option Scheme

The Option Scheme will remain valid until 21 January 2011.

29. Share Option Scheme (continued)

Share Options

The following table discloses details of the Company's share options held by employees (including directors) and movement in such holdings during the year.

Date of grant	Exercisable period	Subscription Price per share *HK$*	Number of share options Outstanding at 1 April 2006	Lapsed during the year	Outstanding at 31 March 2007
3 August 2001	3 August 2001 to 2 August 2011 *(Notes a & c)*	0.3672	2,000,000	–	2,000,000
29 August 2001	29 August 2001 to 28 August 2011 *(Notes b & c)*	0.3520	46,619,000	(1,100,000)	45,519,000
			48,619,000	(1,100,000)	47,519,000

Note a: The options are immediately vested on the date of grant.

Note b: The options have vested in four tranches in the proportion of 15%: 25%: 30%: 30%. The first, the second, the third and the fourth tranches of the options has vested on 1 April 2002, 1 April 2003, 1 April 2004 and 1 April 2005 respectively.

Note c: As at the date of this annual report, the share options in a total amount of 2,000,000 shares (at a subscription price of HK$0.3672 per share) and 1,000,000 shares (at a subscription price of HK$0.3520 per share) granted to a former director and two employees were lapsed in June and December 2007 respectively due to their resignation, bringing the total amount of the options to 44,519,000.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are lapsed or cancelled prior to their exercise date are deleted from the register of outstanding share options.

30. Reserves

THE GROUP

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

THE COMPANY

	Share premium	**Contributed surplus**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2005	383,117	107,992	(667,880)	(176,771)
Loss for the year	–	–	(4,699)	(4,699)
At 1 April 2006	383,117	107,992	(672,579)	(181,470)
Loss for the year	–	–	(3,356)	(3,356)
At 31 March 2007	383,117	107,992	(675,935)	(184,826)

The contributed surplus of the Company represents the difference between the fair value of the consolidated net assets of Chun Tai (BVI) Limited acquired and the nominal value of the Company's shares issued in exchange therefore.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus; if:

a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

To the best of the knowledge of the Provisional Liquidators, the Company had no reserves available for distribution to its shareholders as at 31 March 2006 and 2007.

31. Pledge Of Assets

As at 31 March 2007, financial assets at fair value through profit or loss of approximately HK$5,565,000 (2006: HK$11,520,000) were pledged to secure the other borrowings of the Group.

32. Operating Lease Arrangements

The Group as lessee

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Minimum lease payments paid under operating leases during the year	1,238	1,554

At 31 March 2007, the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and building as follows:

	THE GROUP	
	2007	**2006**
	HK$'000	*HK$'000*
Within one year	581	280
In the second to fifth years inclusive	–	132
	581	412

Operating lease payments represent rentals payable by the Group for certain of its office premises. The lease typically runs for an initial period of two years, with an option to renew after two years, when all terms can be renegotiated.

33. Litigations

(a) Shenzhen Longtai Technology Limited ("Shenzhen Longtai") initiated legal proceedings against the Company for a sum of approximately HK$1.1 million arising out of alleged monies payable for goods sold and delivered to a former subsidiary of the Company. On 5 May 2004, the HK High Court ordered Shenzhen Longtai to place a deposit of HK$300,000 as security costs by 10 August 2004. Court proceedings will only be resumed after the deposit is placed. As at the date of this annual report, the Company has not been informed by the HK High Court that Shenzhen Longtai has made such deposit.

Further, Shenzhen Longtai has yet to lodge claim against the Company as at the date of this annual report.

(b) Showa Leasing (Hong Kong) Limited ("Showa HK"), a hire purchase creditor to which the Company owed in aggregate approximately HK$6.4 million, has filed a winding-up petition against the Company on 2 May 2003. On 18 August 2003, the winding-up petition was dismissed and the Company has agreed with Showa HK to settle the principal amount and related interest payable by 30 monthly instalments starting from August 2003. On 7 November 2003, the Company also executed a debenture charging all undertakings, assets and receivables as a continuing security for payment of the indebtedness.

On 26 February 2004, the Company served a Writ of Summons upon Showa HK ("High Court Action No. 445 of 2004"). By an assignment dated 14 March 2002, Showa HK had assigned and transferred all its benefits, interests and title of certain machineries under various lease agreements to the Company. Despite repeated requests from the Company, Showa HK has not yet fulfilled its obligations to transfer titles of the machineries to the Company under the assignment.

On 1 August 2006, the Company signed a settlement agreement and a Consent Order with Showa HK. Upon signing of the Consent Order, Showa HK will not enforce the judgment granted in High Court Action No. 4034 of 2002 against the Company and within 35 days from the date of the Consent Order, the Company will pay a sum of HK$821,000 to Showa HK within 35 days from the date of the Consent Order. Upon compliance of all the terms above, each party is discharged from (a) all liabilities arising out of all the subject matters of both High Court Action No. 4034 of 2002 and High Court Action No. 445 of 2004; (b) performance of any order which has not yet been performed; and (c) all liabilities arising out of all disputes whatsoever between the parties up to the date thereof. As at the date of this annual report, Showa HK filed a claim of approximately HK$11.1 million against the Company and no further action has been taken by Showa HK against the Company upon the appointment of the Provisional Liquidators.

It is proposed that the claim made by Showa HK will form part of the claim under the proposed Schemes. The outstanding amount due to Showa Leasing will therefore be settled and discharged upon the Completion.

33. Litigations (continued)

(c) On 14 August 2003, New China Trust and Investment Co., Ltd. ("New China"), a secured creditor of Beijing HollyBridge System Integration Company Limited（北京合力金橋系統集成技術有限公司）("Beijing HollyBridge") instituted legal proceedings against Beijing HollyBridge for its inability to repay a loan of approximately RMB19.1 million together with an accrued interest of approximately RMB2.7 million. The Company together with the other two shareholders of Beijing HollyBridge, namely 北京旭亞榮泰科技發展有限公司 and 北京冠耀投資諮詢有限公司 (the "PRC Shareholders") have issued a guarantee to New China for the loan granted to Beijing HollyBridge. On 17 November 2004, the Chongqing Intermediate People's Court (the "Intermediate Court") ruled that Beijing HollyBridge was liable to the outstanding loan principal of approximately RMB19.1 million together with an interest of approximately RMB2.7 million. The Intermediate Court also discharged the guarantee provided by the Company and the PRC Shareholders to New China. On 8 December 2004, a notice of appeal was filed by New China to the Chongqing Supreme People's Court (the "Supreme Court") regarding the calculation of the accrued interest and its objection on the discharge of the guarantee given by the Company and the PRC Shareholders.

On 22 November 2005, the Supreme Court ruled that the outstanding loan principal and interest that Beijing HollyBridge owed to New China were approximately RMB18.4 million and RMB1.5 million respectively. The Supreme Court also ruled that the guarantee provided by the Company and the PRC Shareholders to New China would remain in force. On 28 June 2006, an execution notice was issued by the Intermediate Court. Beijing HollyBridge was requested to repay the said outstanding loan principal and interest before 20 July 2006 and also to declare all its assets to the Intermediate Court within seven days from the date of issue of the execution notice. Accordingly, Beijing HollyBridge paid a principal sum of approximately RMB0.22 million and all the shares of the PRC Shareholders in Beijing HollyBridge were frozen by the Intermediate Court. A claim totalling approximately RMB23.6 million, including interest of approximately RMB5.2 million was lodged against the Company in May 2007. No further action had been taken by New China against the Company after the appointment of the Provisional Liquidators.

It is proposed that the claim made by New China will form part of the claim under the proposed Schemes. The outstanding amount due to New China will therefore be settled and discharged after the Completion.

33. Litigations (continued)

(d) Lolliman, a finance company, has on 15 November 2006 issued a winding-up petition against the Company for an alleged loan amount of USD900,000. Lolliman is a creditor of Holy HK. The Court hearing for the winding-up petition was adjourned and is scheduled to be heard on 14 April 2008. A claim amounted to approximately HK$11.5 million (including interests and legal costs) was lodged against the Company in May 2007.

Upon the successful completion of the proposed restructuring, it is proposed that the claim made by Lolliman will form part of the proposed Schemes and the outstanding balances will therefore be settled and discharged upon the Completion.

(e) On 20 May 2006, Beijing Shou Chuang Electrical Technology Company (北京首創電子技術有限公司) ("Shou Chuang"), a supplier of Beijing HollyBridge, filed a lawsuit against Beijing HollyBridge for not paying an amount of approximately RMB3.6 million. The Court ruled against Beijing HollyBridge for the repayment of the said amount plus accrued interests to Shou Chuang. Subsequently, both parties entered into a voluntary repayment scheme dated 20 April 2007 (the "Repayment Scheme"), where Beijing HollyBridge disposed of its buildings at a consideration of approximately RMB2.6 million plus a cash payment of approximately RMB0.59 million to settle the debt. The remaining balance of approximately RMB0.4 million was payable by 10 August 2007. Further, the interest accrued up to end of October 2007 amounted to approximately RMB0.49 million. As at the date of this report, the remaining balance and interest payable had been fully repaid.

However, despite Beijing HollyBridge's repeated requests, Shou Chuang did not provide value-added tax invoices ("Fa Piao") upon receipt of the repayments from Beijing HollyBridge as required in the Repayment Scheme. Thus Beijing HollyBridge initiated a litigation against Shou Chuang requesting the provision of Fa Piao on or before 1 February 2008. As at the date of this annual report, no further development on this new litigation.

(f) Another supplier of Beijing HollyBridge, Beijing Zheng Tong Company (北京北方證通電子技術有限公司), also filed a lawsuit against Beijing HollyBridge for non settlement of an amount of approximately RMB0.11 million. The court ruled that Beijing HollyBridge has to repay this outstanding balance together with default payment and the legal costs amounted to approximately RMB0.14 million. A settlement agreement has been signed on 16 August 2007 and it has been agreed that the total outstanding balance being repaid in 3 installments. The first, second and third installments in the amount of RMB44,346, RMB50,000 and RMB50,000 were paid in August, October and December 2007 respectively (i.e. all the outstanding had been fully repaid).

33. Litigations (continued)

(g) On 27 March 2006, 3D Networks Co. Ltd. (三力網絡有限公司) filed a civil claim against Beijing HollyBridge alleging the non payment of approximately RMB0.49 million under the sale and purchase of goods contract dated 8 August 2002. On 31 October 2007, the People's Court of Haidian District of Beijing City ("Haidian Court") ruled that the principal together with a default payment for breaching contract of RMB150,000 had to be paid by Beijing HollyBridge. Beijing HollyBridge has lodged appeal to the Haidian Court on 7 December 2007. As at the date of this annual report, no further development on this litigation.

(h) On 18 September 2007, Beijing HollyBridge received an Acceptance Notice from the Haidian Court pursuant to which Haidian Court accepted to take up the case made by the claimant, Beijing Double Flag Sunshine Technology Company Limited (北京雙旗陽光科技有限公司) ("Beijing Double Flag") for the outstanding amount of RMB310,000 arising under a sale contract entered into on 1 November 2006. Some of the bank accounts of Beijing HollyBridge were frozen by Haidian Court due to the proceedings instigated by Beijing Double Flag. On 31 January 2008, the Haidian Court ruled that Beijing HollyBridge was required to repay RMB310,000 together with default payment of approximately RMB81,000 to Beijing Double Flag. Currently, a bank account of Beijing HollyBridge was frozen by the Haidian Court due to non-repayment. The Provisional Liquidators are currently seeking appropriate legal advice as to the status of the matter.

(i) On 8 September 2007, Beijing HollyBridge received a reply notice from the Beijing Arbitration Commission in relation to a claim made by Beijing Nine Stage Equipment Company Limited (北京九段智能設備有限公司) ("Nine Stage Equipment") relating to the outstanding payment of approximately RMB0.34 million arising under a construction in progress contract entered into on 27 May 2005. At the court hearing on 7 November 2007, the Nine Stage Equipment proposed a settlement with Beijing HollyBridge which the outstanding amount is approximately RMB0.22 million and the first repayment of RMB50,000 had been paid on 17 January 2008.

(j) On 27 March 2006, 深圳市齊普生信息科技有限公司 ("齊普生") filed a lawsuit against Beijing HollyBridge for a non payment of approximately RMB1.38 million, being the remaining unpaid balances for goods sold to Beijing HollyBridge in June 2004. On 28 August 2006, The People's Court of Futian District of Shenzhen ("Futian Court") ruled that Beijing HollyBridge has to pay approximately RMB0.53 million together with accrued interest and litigation costs. Subsequently in June 2007, Beijing HollyBridge appealed to The People's Intermediate Court of Shenzhen but the judgement remained was again required to pay the litigation costs for the appeal in full based on the court judgment issued on 8 June 2007. On 21 November 2007, Beijing HollyBridge proposed to Futian Court to repay the outstanding by 8 months. The judge advised that 齊普生 may not accept the proposal. The management of Beijing HollyBridge is currently seeking legal advice as to the settlement of this case.

33. Litigations (continued)

(k) In October 2007, 北京元鼎時代有限公司 filed a lawsuit against Beijing HollyBridge requested a repayment of principal amount of RMB391,600, interests of RMB2,467 and damages of RMB7,832. A settlement was reached under the direction of the court that Beijing HollyBridge had to settle the principal amount together with assets security charge and relevant legal charge totalling RMB401,899 by 6 November 2007. A bank account of Beijing HollyBridge was subsequently frozen by the Court due to the non-repayment of the settlement sum. As at the date of this report, all the outstanding amount had been fully repaid.

(l) In October 2007, 北京華測偉業科技有限公司 ("華測偉業") applied to the Haidian Court to take guarantee protective measures against, and seized a bank account of, Beijing HollyBridge. Beijing HollyBridge applied to Haidian Court for appeal in terms of governing jurisdiction on 26 October 2007. On 29 October 2007, the management of Beijing HollyBridge negotiated with the lawyers of 華測偉業 and 華測偉業 restated that Beijing HollyBridge should immediately settle the claimed amount of approximately RMB0.215 million and bear the litigation costs whilst 華測偉業 would agree to waive the amount in default and the relevant interests. Settlement has been reached between the parties and it is in the process of execution as at the date of this annual report.

(m) In November 2007, 北京方正奧德計算機系統有限公司 ("方正奧德") filed a lawsuit against Beijing HollyBridge for a repayment of RMB220,000 together with default interest of RMB2,000. On 5 December 2007, Haidian Court issued a summons to Beijing HollyBridge and notified that the case would be heard on 29 January 2008.

To the best of the knowledge of the Provisional Liquidators, adequate provision has been made against the above claims and no additional provision is required.

34. Retirement Benefits Schemes

The Group operates a MPF for all qualifying employees in Hong Kong under the MPF Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

During the year, the total amount contributed by the Group to the MPF Scheme amounted to approximately HK$73,655 (2006: HK$60,802).

The Group is also required to make contributions to state pension schemes in the PRC based on a certain percentage of the monthly salaries of the employees of its PRC subsidiaries. The Group has no other obligation under the state pension schemes in the PRC other than the contribution payments.

The Group has provided approximately HK$1,397,019 (2006: HK$1,346,000) for the year to cover the contributions payable to the state pension schemes.

35. RELATED-PARTY TRANSACTIONS

The amounts due to a related company and an associate are unsecured, interest free and repayable on demand.

The amounts due to directors are unsecured, carrying interest at 5% annually and repayable on demand.

The related company, the associate and the directors did not indicate to the Company that they will demand for repayment in the foreseeable future.

36. Significant Post-Balance Sheet Events

Details of significant events which took place subsequent to 31 March 2007 are set out as follows:

1) Registration status of the Company in Bermuda

The Company was struck off in the Register of Companies by the Registrar of Companies in Bermuda on 20 October 2006 due to non-payment of its 2006 annual government fees and late penalties. Upon their appointment, the Provisional Liquidators settled the outstanding annual government fees and late penalties and filed an affirmation to the Supreme Court of Bermuda (the "Bermuda Court") to reinstate the Company's registration status in Bermuda. On 7 February 2008, the Bermuda Court ordered to restore the Company to the Register of Companies in Bermuda and pursuant to section 261 of the Companies Act 1981 of Bermuda (as amended), the Company is deemed to have continued in existence as if its name had not been struck off.

2) Petition and appointment of the Provisional Liquidators

On 2 April 2007, an inter-parties summons was filed and served onto the Company by Lolliman for the appointment of provisional liquidators of the Company. The matter was heard in the HK High Court on 17 May 2007. On the same date, Messrs. Liu Yiu Keung Stephen and Robert Armor Morris, both of Ernst & Young Transactions Limited, were appointed by the HK High Court as the Provisional Liquidators. By the HK High Court order, the Provisional Liquidators will, inter alia, take into their custody and protect all the assets of the Group and manage the Group until such time as further order is made. The Provisional Liquidators are independent third parties not connected with the Company or any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules). Notice on the appointment of Provisional Liquidators of the Company was published in the Government Gazette, The Standard, and Sing Tao Daily respectively on 25 May 2007.

3) Proposed restructuring of the Group

On 5 July 2007, the Company entered into the legally binding Heads of Agreement (as varied by a side-letter dated 26 July 2007 (the "Side Letter")) in relation to the proposed restructuring. The parties subsequently entered into the Supplemental Agreement (refer to section 5 below). Pursuant to the Side Letter and the Supplemental Agreement, the Investor agreed to advance payments to the total sum of RMB700,000 in the form of prepayment for the payment of deposit under a project contract successfully bided by Beijing HollyBridge.

The Heads of Agreement (as supplemented by the Supplemental Agreement) set out the intentions and understandings of the Company and the Investor in relation to the proposed restructuring. The Investor has undertaken in-principle to provide the funds (being a total sum of HK$170 million) to the Company in the form of equity to assist with the proposed restructuring. The Investor has paid a non-refundable deposit of HK$3 million in cleared funds on the date of signing of the Heads of Agreement to the Provisional Liquidators to cover part of the costs of the Provisional Liquidators and their professional parties for the proposed restructuring. The Investor has further paid the further restructuring expenses (being a sum of HK$5 million) on even date to the Provisional Liquidators to enable the Provisional Liquidators and their professional parties to implement the restructuring agreements within an agreed period upon the obtaining of the in-principle approval from the Listing Committee of the Stock Exchange.

36. Significant Post-Balance Sheet Events (continued)

4) Change of Legal Representatives of Beijing HollyBridge and Plus Financial Management Services Ltd. (北京普納天成理財諮詢服務有限公司) ("Plus FMS") (collectively referred to as "Beijing Subsidiaries")

The Provisional Liquidators also announced on 23 August 2007 that Mr. Zou Yishang has been removed as the authorised legal person of Beijing Subsidiaries as a result of entering into the Heads of Agreement. Mr. Liu Yiu Keung Stephen, one of the Provisional Liquidators, was appointed as the new authorised legal person of Beijing Subsidiaries on 17 July 2007. His appointments for Beijing HollyBridge and Plus FMS have been approved and registered with Beijing Administration for Industry and Commerce and Beijing Municipal Bureau of Commerce under the relevant rules and regulations of the PRC.

The operation of the Group is currently under the control of the Provisional Liquidators, and appropriate steps have been undertaken by the Provisional Liquidators in the change of the board of directors of the respective members of the Group.

5) Supplemental Agreement in respect of the proposed restructuring

Further to the announcement made by the Company on 23 August 2007, the Company announced on 28 August 2007 that it entered into the Supplemental Agreement with the Investor on 23 August 2007 to vary and amend certain terms and conditions to the Heads of Agreement, including:

(a) the revision of the total cash injection to be provided by the Investor to the Company from HK$200 million to HK$170 million (the "Revised Fund");

(b) the adjustment of the application of the amount of the Revised Fund by the Company in the manner as stated in the sub-section headed "Funds and revised funds" in the announcement dated 28 August 2007;

(c) the application of the Revised Fund for the subscription of the new shares, convertible preference shares and options to subscribe new shares upon the principal terms and conditions as stipulated in the sub-section headed "Principal terms of the convertible preference shares and principal terms of the options" in the announcement; and

(d) the adjustment of the indebtedness due to the creditors to the lower of (i) 30% of the aggregate of all indebtedness owed by the Company to its creditors; or (ii) HK$25 million will be paid to all creditors of the Company.

36. Significant Post Balance Sheet Events (continued)

6) Submission of the Resumption Proposal

The Resumption Proposal was submitted to the Stock Exchange on 12 September 2007 requesting the resumption of trading of the Company. A supplement to the Resumption Proposal was submitted on 19 November 2007.

On 23 November 2007, the Listing Committee of the Stock Exchange had granted in-principle approval to the Resumption Proposal, subject to the fulfilment of certain conditions. The Provisional Liquidators published the announcement dated 17 December 2007.

7) Postponement of Signing of Restructuring Agreement

According to the Heads of Agreement, the restructuring agreement should be signed between the Company and the Investor (the "Parties") within 30 days, or such other date as may be agreed between the Parties, from the Listing Committee of the Stock Exchange granting in-principle approval to the Resumption Proposal (i.e. on or before 23 December 2007).

As stated in the announcement dated 21 December 2007, the Parties entered into a letter agreement dated 21 December 2007 agreeing to the postponement of the deadline for the signing of the restructuring agreement to be extended from 23 December 2007 to on or before 31 January 2008 (the "First Extension Date").

Since the Parties considered that more time was needed to finalize the terms and conditions of the restructuring agreement, in particular, arrangements in relation to the creditors' claims, the parties therefore entered into a second letter agreement on 31 January 2008 agreeing to further extend the date of the signing of the restructuring agreement from the First Extension Date to on or before 29 February 2008 (or such other later date as agreed by the Parties). This second postponement was announced by the Provisional Liquidators on 31 January 2008.

As at the date of this annual report, the Parties decided to further postpone the date of signing of the restructuring agreement to on or before 14 March 2008 (or such other later date as agreed by the Parties) as they are currently seeking creditors' confirmation on the proposed Schemes and the announcement of the postponement has been published by the Provisional Liquidators on 29 February 2008.

As at the date of this annual report, the Parties have not executed the restructuring agreement.

8) Change of principal place of business

The current lease for the principal place of business of the Company has been surrendered to the landlord on 31 August 2007. The principal place of business of the Company has been changed to the office of the Provisional Liquidators at 18th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

36. Significant Post Balance Sheet Events (continued)

9) Preservation of shares in Dynamic Holdings Limited (Stock Code 29) ("Dynamic")

Upon the Provisional Liquidators' investigation of the Group's shareholding in Dynamic, which is held through Investment Limited ("Telecom Plus"); a wholly owned subsidiary of the Company, it was noted that 1,000,000 shares of Dynamic was withdrawn from its securities trading account on 10 May 2007 (the "1M Shares").

The 1M Shares was standing in the name of HKSCC Nominees Limited and the share registrar of Dynamic notified the Provisional Liquidators that an application was received for a purported transfer of the 1M Shares (the "Transfer"). On 29 May 2007, an application was made to the HK Court under HCMP1037/2007 (the "New Action") to obtain an order to restrain Telecom Plus, Dynamic and its share registrar from transferring the 1M Shares. An Interim Order and an Order were granted on 30 May 2007 and 1 June 2007 respectively to restrain and further restrain the Transfer until further order.

Meanwhile, an alleged buyer of the 1M Shares (the "Alleged Buyer") appeared at the hearing on 30 May 2007 attempting to claim his alleged entitlement on the 1M Shares.

Given the Alleged Buyer did not take further legal action in relation to the 1M Shares, as advised by the Company's representing lawyers and Counsel, a Notice of Motion was issued on 8 January 2008 (the "Notice") in order to recover the 1M Shares. On 30 January 2008, the Alleged Buyer filed an Inter-parte Summons and an Affirmation with the HK Court on 30 January 2008 applying to join as a party to the New Action and to oppose the Company's application under the Notice.

On 5 February 2008, the Alleged Buyer deposited the said share certificate pursuant to the Order granted at the hearing on 1 February 2008. Further affirmations were exchanged between the parties and awaiting a hearing date to be fixed for the matter to be disposed of by the HK High Court as at the date of this annual report.

37. Subsidiaries

Particulars of the Company's subsidiaries as at 31 March 2007 are as follows:

Name of subsidiaries	Place of incorporation/ establishment and operations	Issued share/ paid-up registered capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Allnet Company Limited *(Note i)*	PRC	HK$2,000,000	–	100%	Business licence suspended on 1 February 2005
Beijing HollyBridge *(Note i)*	PRC	RMB20,000,000	–	51%	Provide solutions, software and service
Chun Tai (BVI) Limited	British Virgin Islands	US$100	100%	–	Business licence suspended on 1 May 2005
Chun Tai Novelty Company Limited	Hong Kong	HK$10,000	–	100%	Inactive
Chun Tai Printing Limited	Hong Kong	HK$10,000	–	90%	Inactive
Full Hope Enterprises Limited	Hong Kong	HK$10,000	100%	–	Investment holding
Holy HK	Hong Kong	HK$300,000	–	100%	Trading of communication products
Plus Financial Distribution Holdings Limited	Hong Kong	HK$2	100%	–	Provision of financial services
Telecom Plus	Hong Kong	HK$2	100%	–	Investment holding
Plus FMS	PRC	USD150,000	–	100%	Provision of financial services
Plus Investment & Management Consulting Company Limited *(Note i)*	PRC	HK$10,000,000	–	100%	Inactive, under cessation

37. Subsidiaries (continued)

Name of subsidiaries	Place of incorporation/ establishment and operations	Issued share/ paid-up registered capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Telecom Plus Technology Holdings Limited	Hong Kong	HK$2	100%	–	Investment holding
Telecom Plus Technology Limited	Hong Kong	HK$1,000,000	–	100%	Investment holding
Up Hill Investments Limited	British Virgin Islands	US$1	100%	–	Inactive
Zhongshan Modern Colour Printing and Packaging Products Factory Company Limited *(Note i)*	PRC	HK$11,000,000	–	90%	Business licence suspended 27 February 2006

To the best of the knowledge of the Provisional Liquidators, none of the subsidiaries had any debt securities in issue at the end of the year.

Note (i): The English name is directly translated from the Chinese name shown in the PRC business licence.

The above table lists the subsidiaries of the Company which, in the opinion of the Provisional Liquidators, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Provisional Liquidators, result in particulars of excessive length.

SUMMARY OF FINANCIAL INFORMATION

	For the years ended 31 March				
	2003	**2004**	**2005**	**2006**	**2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
RESULTS					
Turnover	230,325	163,116	137,280	77,229	69,060
Loss before taxation	(93,001)	(30,707)	(13,683)	(1,000)	(55,266)
Taxation	–	29	(22)	(388)	1,427
Loss for the year	(93,001)	(30,678)	(13,705)	(1,388)	(53,839)
Attributable to:					
Equity holders of the Company	(86,515)	(28,291)	(13,737)	(1,210)	(50,480)
Minority interests	(6,486)	(2,387)	32	(178)	(3,359)
	(93,001)	(30,678)	(13,705)	(1,388)	(53,839)

	As at 31 March				
	2003	**2004**	**2005**	**2006**	**2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Total assets	180,996	155,334	187,149	143,736	81,291
Total liabilities	(191,180)	(166,197)	(211,717)	(169,692)	(161,086)
	(10,184)	(10,863)	(24,568)	(25,956)	(79,795)
Shareholders' funds	(16,077)	(14,368)	(28,105)	(29,315)	(79,795)
Minority interests	5,893	3,505	3,537	3,359	–
	(10,184)	(10,863)	(24,568)	(25,956)	(79,795)