



# ABC Communications

(Holdings) Limited **08/09**

**INTERIM REPORT**

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)



## CORPORATE INFORMATION

### **Board of Directors:**

#### **Executive Directors:**

Mr. Jing Zhanbin  
Mr. Cheung Wai Shing  
Mr. Chen Jiasong

#### **Independent Non-Executive Directors:**

Mr. Ye Zhiqiang  
Mr. Anthony Michael Bough  
Mr. Tsang Kwok Wai

### **Committees:**

#### **Audit Committee:**

Mr. Ye Zhiqiang  
Mr. Anthony Michael Bough  
Mr. Tsang Kwok Wai

#### **Remuneration Committee:**

Mr. Ye Zhiqiang  
Mr. Anthony Michael Bough  
Mr. Tsang Kwok Wai

### **Company Secretary:**

Mr. Cheung Wai Shing

### **Authorized Representatives:**

Mr. Jing Zhanbin  
Mr. Cheung Wai Shing

### **Registered Office:**

Clarendon House, 2 Church Street,  
Hamilton HM11, Bermuda.

### **Principal Place of Business:**

Room 2006, 20/F.,  
West Tower, Shun Tak Centre,  
168–200 Connaught Road Central,  
Sheung Wan, Hong Kong.

### **Auditors:**

SHINEWING (HK) CPA Limited

### **Registrars:**

Computershare Hong Kong  
Investor Services Limited  
18th Floor, Hopewell Centre,  
183 Queen's Road East, Hong Kong.

### **Solicitors:**

Stephenson Harwood and Lo

### **Homepage**

[www.hkabc.com](http://www.hkabc.com)

**HIGHLIGHTS OF UNAUDITED RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008**

	<b>2008</b>	2007	Percentage change
	<b>HK\$</b>	HK\$	
Revenue	<b>54,899,766</b>	70,896,073	-22.56%
Operating profit	<b>69,069,473</b>	3,820,371	+1,707.93%
Profit attributable to equity holders	<b>69,684,158</b>	3,258,050	+2,038.83%
Profit per share	<b>14.93 cents</b>	0.70 cents	+2,032.86%

## ABC COMMUNICATIONS (HOLDINGS) LIMITED

The board of Directors (the “Board”) of ABC Communications (Holdings) Limited (the “Company”) is pleased to present the condensed consolidated interim financial information for the six months ended 30 September 2008 of the Company and its subsidiaries (collectively referred as the “Group”). The condensed consolidated interim balance sheet, condensed consolidated interim income statement, condensed consolidated interim statement of changes in equity and condensed consolidated interim cash flow statement for the six months ended 30 September 2008, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 3 to 22 of this report.

### CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	<i>Note</i>	<b>Unaudited 30 September 2008 HK\$</b>	Audited 31 March 2008 HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land use rights		–	16,187,881
Property, plant and equipment	5	<b>2,557,977</b>	4,090,940
Investment property		–	19,650,000
Available-for-sale financial assets		–	185,262,286
Long-term pledged deposits		–	23,531,087
<b>Total non-current assets</b>		<b><u>2,557,977</u></b>	<u>248,722,194</u>
<b>Current assets</b>			
Trade receivables	6	<b>7,991,070</b>	10,965,850
Other receivables, deposits and prepayments		<b>1,526,182</b>	2,924,930
Pledged deposits		–	96,738,179
Cash and cash equivalent		<b><u>20,752,320</u></b>	<u>59,736,751</u>
<b>Total current assets</b>		<b><u>30,269,572</u></b>	<u>170,365,710</u>
<b>Total assets</b>		<b><u>32,827,549</u></b>	<u>419,087,904</u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (continued)

	Note	<b>Unaudited 30 September 2008 HK\$</b>	Audited 31 March 2008 HK\$
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	7	4,668,860	46,688,600
Reserves		<u>3,743,518</u>	<u>244,165,210</u>
Equity attributable to equity holders of the Company		<b>8,412,378</b>	290,853,810
Minority interests		<u>7,054,259</u>	<u>–</u>
Total equity		<u><b>15,466,637</b></u>	<u>290,853,810</u>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Bank borrowings, secured	8	–	19,934,777
Deferred income tax liabilities		<u>–</u>	<u>1,272,831</u>
		<u>–</u>	<u>21,207,608</u>
<b>Current liabilities</b>			
Advance subscriptions and licence fees received		<b>3,248,969</b>	3,222,910
Customer deposits		–	473,000
Bank borrowings, secured	8	–	84,475,560
Trade and other payables	9	<u>14,111,943</u>	<u>18,855,016</u>
<b>Total current liabilities</b>		<u><b>17,360,912</b></u>	<u>107,026,486</u>
<b>Total liabilities</b>		<u><b>17,360,912</b></u>	<u>128,234,094</u>
<b>Total equity and liabilities</b>		<u><b>32,827,549</b></u>	<u>419,087,904</u>
<b>Net current assets</b>		<u><b>12,908,660</b></u>	<u>63,339,224</u>
<b>Total assets less current liabilities</b>		<u><b>15,466,637</b></u>	<u>312,061,418</u>

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Note</i>	<b>2008</b>	2007
		<b>HK\$</b>	HK\$
<b>Continuing operations</b>			
Revenue	4	<b>54,899,766</b>	70,896,073
Cost of sales		<b><u>(44,604,992)</u></b>	<u>(63,518,929)</u>
Gross profit		<b>10,294,774</b>	7,377,144
Loss on disposal of subsidiaries		<b>(11,879,337)</b>	–
Gain realized from the release of investment revaluation upon disposal of subsidiaries		<b>69,069,473</b>	–
Other income		<b>377,195</b>	2,901,394
Other gains – net		<b>114,103</b>	709,122
Operating expenses		<b><u>(15,194,529)</u></b>	<u>(9,625,693)</u>
Profit for the period from continuing operations	4, 10	<b><u>52,781,679</u></b>	<u>1,361,967</u>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	12	<b><u>16,889,598</u></b>	<u>1,896,083</u>
Profit for the period		<b><u>69,671,277</u></b>	<u>3,258,050</u>
Attributable to:			
– Equity holders of the Company		<b>69,684,158</b>	3,258,050
– Minority interest		<b><u>(12,881)</u></b>	<u>–</u>
		<b><u>69,671,277</u></b>	<u>3,258,050</u>

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT *(continued)*

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Note</i>	<b>2008</b>	2007
		<b>HK\$</b>	HK\$
Earnings per share			
From the continuing and discontinued operations			
– basic	13	<u><b>14.93 cents</b></u>	<u>0.70 cents</u>
– diluted		<u><b>14.93 cents</b></u>	<u>0.70 cents</u>
From continuing operations			
– basic		<u><b>11.31 cents</b></u>	<u>0.29 cents</u>
– diluted		<u><b>11.31 cents</b></u>	<u>0.29 cents</u>
From discontinued operations			
– basic	13	<u><b>3.62 cents</b></u>	<u>0.41 cents</u>
– diluted		<u><b>3.62 cents</b></u>	<u>0.41 cents</u>
<b>Dividends</b>	14	<u><b>273,875,328</b></u>	<u>9,337,720</u>

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

## Unaudited

	Attributable to the Company's equity holders					
	Share capital	Reserves	Retained earnings	Total	Minority interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Balance at 1 April 2007</b>	46,688,600	204,658,621	66,806,377	318,153,598	-	318,153,598
Fair value losses on available-for-sale financial assets	-	(17,016,227)	-	(17,016,227)	-	(17,016,227)
Deregistration of a subsidiary	-	-	(292,500)	(292,500)	-	(292,500)
Net expense recognised directly in equity	-	(17,016,227)	(292,500)	(17,308,727)	-	(17,308,727)
Profit for the six months	-	-	3,258,050	3,258,050	-	3,258,050
Total recognised (expense)/income for the six months ended 30 September 2007	-	(17,016,227)	2,965,550	(14,050,677)	-	(14,050,677)
<b>Balance at 30 September 2007</b>	<u>46,688,600</u>	<u>187,642,394</u>	<u>69,771,927</u>	<u>304,102,921</u>	<u>-</u>	<u>304,102,921</u>
<b>Balance at 1 April 2008</b>	46,688,600	192,243,332	51,921,878	290,853,810	-	290,853,810
Transfer to profit and loss on disposal of available-for-sale investments	-	(2,170,172)	-	(2,170,172)	-	(2,170,172)
Fair value losses on available-for-sale financial assets	-	(7,010,617)	-	(7,010,617)	-	(7,010,617)
Net expense recognised directly in equity	-	(9,180,789)	-	(9,180,789)	-	(9,180,789)
Profit for the six months	-	-	69,684,158	69,684,158	(12,881)	69,671,277
Total recognised (expense)/income for the six months ended 30 September 2008	-	(9,180,789)	69,684,158	60,503,369	(12,881)	60,490,488
Disposal of subsidiaries	-	(26,442,023)	(42,627,450)	(69,069,473)	7,067,140	(62,002,333)
Capital reduction	(42,019,740)	42,019,740	-	-	-	-
Special dividend paid in September 2008	-	(198,708,270)	(75,167,058)	(273,875,328)	-	(273,875,328)
<b>Balance at 30 September 2008</b>	<u>4,668,860</u>	<u>(68,010)</u>	<u>3,811,528</u>	<u>8,412,378</u>	<u>7,054,259</u>	<u>15,466,637</u>



## CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Note</i>	<b>2008</b>	2007
		<b>HK\$</b>	HK\$
<b>Cash flows from operating activities</b>			
Cash generated from operating activities		<b>1,052,950</b>	3,156,426
Interest paid		<b>(406,633)</b>	(636,551)
<b>Net cash generated from operating activities</b>		<b><u>646,317</u></b>	<u>2,519,875</u>
<b>Cash flows from investing activities</b>			
Net cash inflow from disposal of subsidiaries		<b>249,180,871</b>	–
Purchase of property, plant and equipment	5	<b>(646,152)</b>	(2,149,181)
Purchase of available-for-sale financial assets		<b>(853,820)</b>	–
Proceeds from sale of plant and equipment		–	4,500
Proceeds from disposal of available-for-sale financial assets		<b>3,666,958</b>	–
Dividends received from available-for-sale financial assets		<b>5,508,837</b>	2,941,435
Interest received		<b>1,924,656</b>	2,751,474
Other investing cash flow – net		<b>(17,291,452)</b>	(34,794,723)
<b>Cash flows from investing activities – net</b>		<b><u>241,489,898</u></b>	<u>(31,246,495)</u>
<b>Cash flows from financing activities</b>			
Net bank borrowing	8	<b>(7,245,318)</b>	–
Dividends paid	13	<b>(273,875,328)</b>	–
<b>Cash flows from financing activities – net</b>		<b><u>(281,120,646)</u></b>	<u>–</u>
<b>Net decrease in cash at banks and in hand</b>			
Cash at banks and in hand at start of period		<b>59,736,751</b>	57,028,051
Exchange losses		–	(870,275)
<b>Cash at banks and in hand</b>		<b><u>20,752,320</u></b>	<u>27,431,156</u>

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (“the Company”) is an investment holding company. Its subsidiaries (together, “the Group”) are principally engaged in providing financial information services, wireless applications development, securities trading system licensing, property and investment holding. During the period, the Group has disposed its property and investment holding operations.

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

The immediate holding company and ultimate holding company is Asian Gold Dragon Limited, a company incorporated in the British Virgin Islands.

This condensed consolidated interim financial information is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated.

This condensed consolidated interim financial information was approved for issue on 20 January 2009.

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2008 has been prepared in accordance with HKAS 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

### 3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2008, as described in the annual financial statements for the year ended 31 March 2008 with the addition of the following new standard, amendment and interpretations to existing standards which are relevant to the Group's operation and are mandatory for the financial year ended 31 March 2009.

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

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

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

HKFRS (Amendments)	Improvements to HKFRSs <sup>1</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>2</sup>
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>2</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>2</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>3</sup>
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items <sup>3</sup>
HKAS 1 and HKAS 27 (Amendments)	Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>2</sup>
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations <sup>2</sup>
HKFRS 3 (Revised)	Business Combinations <sup>3</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC)-INT 13	Customer Loyalty Programmes <sup>4</sup>
HK(IFRIC)-INT 15	Agreements for the Construction of Real Estate <sup>2</sup>
HK(IFRIC)-INT 16	Hedges of a Net Investment in a Foreign Operation <sup>5</sup>
HK(IFRIC)-INT 17	Distributions of Non-cash Assets to Owners <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009, except the amendments to HKFRS 5 which are effective for annual periods beginning on or after 1 July 2009.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008.

<sup>5</sup> Effective for annual periods beginning on or after 1 October 2008.

### 3. ACCOUNTING POLICIES (continued)

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that that application of other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

### 4. SEGMENT INFORMATION

#### Primary reporting format – business segments

For management purpose, during the six months ended 30 September 2008, the Group is organised on a worldwide basis into the three main business segments:

- Financial quotation and securities trading system licensing
- Wireless applications
- Corporate activities and investment holdings

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

The segment results for the six months ended 30 September 2008 are as follows:

Business segments	Continued operations		Discontinued operations		Total HK\$ (Unaudited)
	Financial quotation and securities trading system licensing HK\$ (Unaudited)	Wireless applications HK\$ (Unaudited)	Sub-total HK\$	Corporate activities and investment holdings HK\$ (Unaudited)	
Turnover	54,427,766	472,000	54,899,766	–	54,899,766
Operating profit/(loss)	(4,230,772)	(177,684)	(4,408,456)	17,296,231	12,887,775
Loss on disposal of subsidiaries			(11,879,338)	–	(11,879,338)
Gain realized from the release of investment revaluation upon the disposal of a subsidiaries			69,069,473	–	69,069,473
Finance costs			–	(406,633)	(406,633)
Profit before income tax			52,781,679	16,889,598	69,671,277
Income tax expense			–	–	–
Profit for the period			52,781,679	16,889,598	69,671,277

#### 4. SEGMENT INFORMATION (continued)

##### Primary reporting format – business segments (continued)

The segment results for the six months ended 30 September 2007 are as follows:

	Continued operations			Discontinued operations	
	Financial quotation and securities trading system	Wireless applications	Sub-total	Corporate activities and investment holdings	Total
Business segments	licensing	applications	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	70,706,609	189,464	70,896,073	–	70,896,073
Operating profit/(loss)	2,113,767	(751,800)	1,361,967	2,458,404	3,820,371
Finance costs			–	(553,367)	(553,367)
Profit before income tax			1,361,967	1,905,037	3,267,004
Income tax expense			–	(8,954)	(8,954)
Profit for the period			1,361,967	1,896,083	3,258,050

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

	Six months ended 30 September 2008 (Unaudited)				Six months ended 30 September 2007 (Unaudited)			
	Continuing operations		Discontinued operations		Continuing operations		Discontinued operations	
	Financial quotation and securities trading system	Wireless applications	Corporate activities and investment holdings	Total	Financial quotation and securities trading system	Wireless applications	Corporate activities and investment holdings	Total
	licensing	applications	holdings	Total	licensing	applications	holdings	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Depreciation	731,754	5,347	25,862	762,963	428,612	7,848	29,508	465,968
Amortisation of land use rights	–	–	241,146	241,146	–	–	289,375	289,375

#### 4. SEGMENT INFORMATION (continued)

##### Primary reporting format – business segments (continued)

The segment assets and liabilities at 30 September 2008 and capital expenditure for the six months ended 30 September 2008 are as follows:

	<b>Financial quotation and securities trading system licensing HK\$</b>	<b>Wireless applications HK\$</b>	<b>Corporate activities and investment holdings HK\$</b>	<b>Total HK\$</b>
Assets (Unaudited)	<u>32,463,070</u>	<u>364,479</u>	<u>–</u>	<u>32,827,549</u>
Liabilities (Unaudited)	<u>17,053,931</u>	<u>306,981</u>	<u>–</u>	<u>17,360,912</u>
Capital expenditure (Unaudited)	<u>640,782</u>	<u>5,370</u>	<u>–</u>	<u>646,152</u>

The segment assets and liabilities at 31 March 2008 and capital expenditure for the six months ended 30 September 2007 are as follows:

	<b>Financial quotation and securities trading system licensing HK\$</b>	<b>Wireless applications HK\$</b>	<b>Corporate activities and investment holdings HK\$</b>	<b>Total HK\$</b>
Assets	<u>29,086,622</u>	<u>160,626</u>	<u>389,840,656</u>	<u>419,087,904</u>
Liabilities	<u>21,081,417</u>	<u>202,980</u>	<u>106,949,697</u>	<u>128,234,094</u>
Capital expenditure (Unaudited)	<u>2,132,331</u>	<u>–</u>	<u>16,850</u>	<u>2,149,181</u>

Segment assets consist of property, plant and equipment, investment property, land use rights, available-for-sale financial assets, trade receivables and other receivables, other non-financial assets and operating cash.

Segment liabilities comprise operating liabilities (trade payables and other payables and other non-current liabilities).

Capital expenditure comprises additions to equipment.

#### 4. SEGMENT INFORMATION *(continued)*

##### Secondary reporting format – geographical segments

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

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

##### Turnover

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

##### Total assets

	As at	
	30 September 2008 HK\$ (Unaudited)	31 March 2008 HK\$ (Audited)
Hong Kong	<b>32,827,549</b>	234,447,782
Asia		
– Japan	–	154,886,339
– Others	–	1,036
Canada and United States	–	<u>29,752,747</u>
	<b><u>32,827,549</u></b>	<u>419,087,904</u>

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

##### Capital expenditure

	Six months ended	
	30 September 2008 HK\$ (Unaudited)	2007 HK\$ (Unaudited)
Hong Kong	<b><u>646,152</u></b>	<u>2,149,181</u>

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

## 5. PROPERTY, PLANT AND EQUIPMENT

During the six-month period, the Group acquired some new computer equipment.

	<b>Property, plant and equipment</b> HK\$ (Unaudited)
<b>Six months ended 30 September 2007</b>	
<b>Opening net book amount 1 April 2007</b>	2,552,065
Additions	2,149,181
Depreciation	<u>(465,968)</u>
<b>Closing net book amount 30 September 2007</b>	<u>4,235,278</u>
<b>Six months ended 30 September 2008</b>	
<b>Opening net book amount 1 April 2008</b>	<b>4,090,940</b>
Additions	<b>646,152</b>
Depreciation	<b>(762,963)</b>
Disposed through the disposal of subsidiaries	<u><b>(1,416,152)</b></u>
<b>Closing net book amount 30 September 2008</b>	<u><b>2,557,977</b></u>

## 6. TRADE RECEIVABLES

At 30 September and 31 March 2008, the ageing analysis of the trade receivables were as follows:

	<b>As at</b>	
	<b>30 September 2008 HK\$ (Unaudited)</b>	<b>31 March 2008 HK\$ (Audited)</b>
0 – 3 months	<b>7,991,070</b>	10,878,250
4 – 6 months	–	28,600
Over 6 months	<u>–</u>	<u>59,000</u>
	<u><b>7,991,070</b></u>	<u>10,965,850</u>



## 7. SHARE CAPITAL

	<b>As at</b>	
	<b>30 September 2008 HK\$ (Unaudited)</b>	31 March 2008 HK\$ (Audited)
Authorised:		
6,000,000,000 (31 March 2008: 600,000,000) ordinary shares of HK\$0.1 each (31 March 2008: HK\$0.01 each)	<b><u>60,000,000</u></b>	<u>60,000,000</u>
Issued and fully paid:		
466,886,000 (31 March 2008: 466,886,000) ordinary shares of HK\$0.01 each (31 March 2008: HK\$0.1 each)	<b><u>4,668,860</u></b>	<u>46,688,600</u>

As disclosed in the Company's circular to its shareholders dated 18 July 2008, the Company has carried into effect a capital reorganization to facilitate the distribution of a special dividend of HK\$0.5866 per share. The capital reorganization involved:

- (a) the reduction of the nominal value of each issued share from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 from the paid-up capital on each issued share and to transfer the credit arising therefrom to the contributed surplus account of the Company;
- (b) the authorised but unissued share capital of the Company be sub-divided by sub-dividing each of the authorised but unissued shares of HK\$0.10 each in the capital of the Company into 10 new shares of HK\$0.01 each in the capital of the Company; and
- (c) the reduction of the share premium account of the Company to zero and to transfer the credit arising therefrom to the contributed surplus account of the Company.

No share option had been granted, exercised or lapsed during the six months ended 30 September 2008. 2,500,000 share options have been cancelled during the interim period. There is no outstanding options as at 30 September 2008 (31 March 2008: 2,500,000 with exercise price of HK\$1.41 per share). Details have been disclosed at Directors' interest in the interim report.

## 8. BANK BORROWINGS

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2008</b>	2008
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
Non-current		
Bank borrowings ( <i>Note</i> )	–	19,934,777
Current		
Bank borrowings	–	84,475,560
	<u>–</u>	<u>104,410,337</u>

*Note:* The bank borrowings as at 31 March 2008 will mature on 29 May 2009 and bear interest 1.68% per annum.

All bank borrowings were disposed by the Group through disposal of subsidiaries during the six month ended 30 September 2008.

## 9. TRADE AND OTHER PAYABLES

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2008</b>	2008
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
Trade payables	<b>11,704,042</b>	16,804,719
Other payables	<b>2,407,901</b>	2,050,297
	<u><b>14,111,943</b></u>	<u>18,855,016</u>

At 30 September and 31 March 2008, the ageing analysis of the trade payables were as follows:

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2008</b>	2008
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
0 – 3 months	<u><b>11,704,042</b></u>	<u>16,804,719</u>

## 10. OPERATING PROFIT

The following items have been credited/(charged) to the operating profit at 30 September 2008:

	<b>Continuing operation HK\$ (Unaudited)</b>	<b>Discontinued operations HK\$ (Unaudited)</b>	<b>Total HK\$</b>
Gain on disposal of listed available-for-sale financial assets	–	2,350,745	2,350,745
Exchange differences	111,184	7,552,426	7,663,610
Interest income	377,195	1,547,461	1,924,656
Rental income from investment property	–	947,778	947,778
Dividend income from listed available-for-sale financial assets	–	5,508,837	5,508,837
	<u>                    </u>	<u>                    </u>	<u>                    </u>

The following items have been credited/(charged) to the operating profit at 30 September 2007:

	Continuing operation HK\$ (Unaudited)	Discontinued operations HK\$ (Unaudited)	Total HK\$
Gain on disposal of property, plant and equipment	4,500	–	4,500
Exchange differences	–	(1,855,530)	(1,855,530)
Gains/(losses) on deregistration of a subsidiary	292,500	–	292,500
Interest income	919,339	3,145,472	4,064,811
Rental income from investment property	–	756,111	756,111
Dividend income from listed available-for-sale financial assets	–	2,941,435	2,941,435
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## 11. INCOME TAXES EXPENSES

Hong Kong profits tax has not been provided as the Group has no estimated assessable profit for the period (2007: Nil).

	<b>Six months ended 30 September</b>	
	<b>2008 HK\$ (Unaudited)</b>	<b>2007 HK\$ (Unaudited)</b>
Current income tax	-	-
Deferred income tax	-	8,945
	<u>-</u>	<u>8,945</u>
	<u>-</u>	<u>8,945</u>

## 12. DISCONTINUED OPERATIONS

On 2 May 2008, the Company entered into an agreement to dispose of its 100% interest in ABC Global Limited and its subsidiaries ("ABC Global Group"), which carried out of the Group's corporate activities and investment holdings operations. The disposal was completed on 20 August 2008 on which date control of ABC Global Limited passes to the acquirer.

The results of the corporate activities and investment holdings operations for the period from 1 April 2008 to 20 August 2008, which have been included in the condensed consolidated income statement, was as follows:

	<b>Six months ended 30 September 2008 HK\$ (Unaudited)</b>	
Turnover		-
Cost of sales		-
		<u>-</u>
Gross profit		-
Other income		8,004,076
Other gains-net		9,903,152
Operating expenses		(610,997)
Finance costs		(406,633)
		<u>-</u>
Profit before tax		16,889,598
Income tax expense		-
		<u>-</u>
Profit for the period and attributable to equity holders of the Company		<u>16,889,598</u>

### 13. EARNINGS PER SHARE

#### From continuing and discontinued operations

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

	Six months ended 30 September	
	2008	2007
	HK\$	HK\$
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit for the purposes of basic earnings per share (Profit for the period attributable to equity holders of the Company)	<u>69,684,158</u>	<u>3,258,050</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>466,886,000</u>	<u>466,886,000</u>

#### From continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to equity holders of the Company is based on the following data:

	Six months ended 30 September	
	2008	2007
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the Company	<u>69,684,158</u>	<u>3,258,050</u>
Less: profit for the period from discontinued operations attributable to equity holders of the Company ( <i>note 12</i> )	<u>(16,889,598)</u>	<u>(1,896,083)</u>
Earnings for the purpose of diluted earnings per share from continuing operations	<u>52,794,560</u>	<u>1,361,967</u>

### 13. EARNINGS PER SHARE *(continued)*

#### From discontinued operations

Basic earnings per share for discontinued operations was HK3.62 cents for the six months ended 30 September 2008 (2007: HK0.41 cents) based on the profit for the period from the discontinued operations of approximately HK\$16,889,598 (2007: HK\$1,896,083) and the denominators detailed above for basic earnings per share for the six months ended 30 September 2008.

No diluted earnings per share for the six months ended 30 September 2008 had been presented as there was no outstanding share option as at 30 September 2008.

No diluted earnings per share for the six months ended 30 September 2007 had been presented as the effect of the conversion of the Company's outstanding share options was anti-dilutive.

### 14. DIVIDENDS

	Six months ended 30 September	
	2008 HK\$ (Unaudited)	2007 HK\$ (Unaudited)
Special dividend, paid of HK58.66 cents (2007: Nil) per ordinary share <i>(note a)</i>	<b>273,875,328</b>	–
Interim dividend, HK 2 cents per ordinary share for the period ended 30 September 2007 <i>(note b)</i>	–	9,337,720
	<b><u>273,875,328</u></b>	<u>9,337,720</u>

Notes:

- (a) By the resolutions passed at the special general meeting of the Company held on 11 August 2008, it was resolved that a special dividend amounts to HK\$273,875,328, which was equivalent to approximately HK\$0.5866 per share, was declared and to be paid out from the distributable reserves of the Company upon the completion of the disposal of ABC Global Group.
- (b) No interim dividend was paid or proposed for the six months ended 30 September 2008 (2007: HK 2 cents per share).

## 15. RELATED-PARTY TRANSACTIONS

Key management compensation amounted to HK\$2,243,240 for the six months ended 30 September 2008 (HK\$2,136,420 for the six months ended 30 September 2007), is set out below.

	<b>Six months ended 30 September</b>	
	<b>2008</b>	2007
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Unaudited)
Salaries and other short-term benefits	<b>2,243,240</b>	2,136,420

## SPECIAL AND INTERIM DIVIDENDS

A special cash dividend of HK\$0.5866 per ordinary share had been paid in September 2008, out of the proceeds of the disposal of ABC Global Limited and surplus cash of the Company. For detail, please refer to the Company's circular to its shareholders dated 18 July 2008 (the "Circular").

The Directors do not recommend any interim dividend for the six months ended 30 September 2008 (2007: HK¢2 per ordinary share).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Material Disposal of Subsidiaries

As disclosed in the Circular, the Company had entered into a conditional disposal agreement with H.C.B.C. Enterprises Limited on 2 May 2008, to dispose of the entire share capital of ABC Global Limited ("ABC Global") at a cash consideration of HK\$257,440,427. ABC Global and its direct and indirect subsidiaries (collectively referred as "ABC Global Group") principally held:

- a 49% minority interest in the Group's financial quotation and securities trading system licensing and wireless application businesses;
- the entire interest in certain non-operating assets, which included investments in eAccess Limited, eMobile Limited and Argo II Funds, as well as two office properties.

The disposal of ABC Global was approved by the independent shareholders at an special general meeting of the Company held on 11 August 2008 and was duly completed on 20 August 2008. For details, please refer to the Circular and the Company's announcement dated 20 August 2008.

## **Business Review**

The principal activities of the Group following the disposal of ABC Global Group will comprise two business units: financial information services and securities trading licensing provided by QuotePower International Limited ("QuotePower") and wireless applications development provided by ABC QuickSilver Limited.

Faced with intense competitions and diminishing investment enthusiasm in stock market in the first six months of our fiscal year, QuotePower, our principal operating subsidiary in financial quotation services, suffered from a decline in revenue. Turnover of the Group dropped to HK\$55 million, a decrease of 22.6% over that of the comparable period in the previous year.

Profit for the period from continuing operations amounted to HK\$53 million, which represented a significant increase as compared to the profit of HK\$1.36 million for the previous comparable period. However, there were a one-off gain of HK\$69 million realized from the release of investment upon the disposal of subsidiaries, as well as a loss arise from disposal of subsidiaries, in the current period. The bottom line for the period from continuing operations would turn into a loss of HK\$4.4 million, if these one-off gain and loss relating to disposal were excluded. The operating expenses amounted to HK\$15 million, which represented an increase of 58% over that of last corresponding period. This was because legal and professional fees of approximately HK\$6 million have been incurred for the Group's restructuring, capital-re-organization and disposal of subsidiaries during the period.

## **Outlook**

In the wake of the financial tsunami impacting the global financial market, investor sentiment is likely to remain weak for quite a while and this may affect the short-term outlook of QuotePower. Given the market position and strong customer base of QuotePower, it should be able to weather any serious threats of a market downturn. As Hong Kong continues to strengthen its position as an international financial centre, QuotePower should also be able to exploit new growth prospects. It will continue to explore business opportunities to enhance its market leadership in the area of financial information services and to expand the geographical reach of its sales and marketing activities.

The Board will conduct a detailed review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the result of such review and if suitable investment or business opportunities arises, the Board may consider diversifying the business of the Group to broaden its income source.



## LIQUIDITY, CAPITAL STRUCTURE AND TREASURY MANAGEMENT

As at 30 September 2008, our Group had cash and bank balances of HK\$20.8 million.

	<b>30 September 2008 (Unaudited)</b>		31 March 2008 (Audited)	
	<b>HK\$</b>	<b>%</b>	HK\$	%
Bank borrowings	–	–	104,410,337	26
Total equity	<u>15,466,637</u>	<u>100</u>	<u>290,853,810</u>	<u>74</u>
Total capital employed	<u>15,466,637</u>	<u>100</u>	<u>395,264,147</u>	<u>100</u>

### PLEDGE OF ASSETS

As at 30 September 2008, no assets of the Group were pledged to secure general banking facilities granted to the Group.

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2008, the Group had no capital commitment and material contingent liabilities.

### EMPLOYEE REMUNERATION POLICY

As at 30 September 2008, the Group had 40 employees. Total salaries and related costs incurred for the period under review amounted to HK\$6.2 million. Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits include provident funds and medical schemes. The Company may also grant share options to eligible employees.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the period and the Company has not redeemed any of its securities during the period.

## DIRECTORS' INTERESTS

At 30 September 2008, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Model") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme disclosed in the section "SHARE OPTION SCHEME" below, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the period under review.

## SHARE OPTION SCHEME

### (a) Expired Scheme

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

The Expired Scheme expired on 11 September 2001 (the "Expiration Date") without prejudice to the rights and benefits of and attached to those options granted there under which are outstanding as at that date. No further grants were made after the Expiration Date.

During the period under review, 2,500,000 options granted under the Expired Scheme were cancelled. As at 30 September 2008, there was no outstanding option under the Expired Scheme.

## (b) Existing Scheme

Under the share options scheme (the "Existing Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27 March 2002, the Directors may, at their discretion, invite any eligible participants, including any executive director, non-executive director and employee of the Company and its subsidiary, to take up options to subscribe for fully paid ordinary share in the Company subject to the stipulated terms and conditions.

As at 30 September 2008, the total number of shares available for issue under the Existing Scheme was 4,418,860 shares which represented approximately 9.5% of the total issued share capital of the Company.

During the period under review, no options were granted or exercised under the Existing Scheme. No options were outstanding under the Existing Scheme as at 30 September 2008.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 30 September 2008, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5 per cent or more of the Company's issued share capital.

Name	Number of Ordinary Shares held	Percentage
Asian Gold Dragon Limited	390,649,600	83.67%
Mr. Sze Chun Ning, Vincent ( <i>Note (i)</i> )	390,649,600	83.67%
President Securities (BVI) Limited ( <i>Note (ii)</i> )	40,485,100	8.67%
President Securities (Hong Kong ) Limited ( <i>Note (ii)</i> )	40,485,100	8.67%
President Securities Corporation ( <i>Note (ii)</i> )	40,485,100	8.67%

*Note:*

- (i) These shares are held by Asian Gold Dragon Limited. Mr. Sze Chun Ning, Vincent holds 85% issued shares capital of Asian Gold Dragon Limited.
- (ii) Pursuant to a conditional placing agreement entered into between Asian Gold Dragon Limited and President Securities (Hong Kong) Limited ("President Securities") on 19 August 2008 (the "Placing Agreement"), President Securities has been appointed as the placing agent to procure purchasers or, and failing which to purchase itself, up to 116,721,500 shares at the price of HK\$0.3992 per share. Given that Asian Gold Dragon Limited received acceptances under the unconditional mandatory offer made in accordance with the Hong Kong Code on Takeovers and Mergers, resulting in it being interested in more than 75% of the issued share capital of the Company, President Securities will place 40,485,100 shares under the Placing Agreement so that shareholding of Asian Gold Dragon Limited and parties acting in concert with it will maintain at 75% of the issued share capital of the Company and the public float will be at not less than 25% of the issued share capital of the Company. President Securities Corporation and President Securities (BVI) Limited are the ultimate holding company and immediate holding company of President Securities respectively.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY** *(continued)*

All the interests stated above represent long positions. Save as disclosed herein, there is no person known to the directors who, as at 30 September 2008, was directly or indirectly interested in 5% or more of the nominal value of any class of share capital of the Company required to be recorded in the register kept pursuant to Section 336 of the SFO.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules of the Stock Exchange during the six months ended 30 September 2008 except for the following deviations:

### **Code Provision A.2.1**

Under the code provision A.2.1, the roles of Chairman and Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. Following the resignation of Mr. Tse Chi Hung, Michael, the ex-Chairman, and Ms. Yeung Shuk Kwan, Patricia, the ex-CEO, on 18 September 2008, the Company does not at present have any officer with the title of Chairman and CEO. The roles and functions of the Chairman and CEO have been performed by all the executive Directors of the Company collectively. The Board ensured that all Directors complied with good corporate governance practices and are properly briefed on issues arising at the Board meeting and have received adequate, complete and reliable information in a timely manner. The Board believes that presently the size of the Group is small and such arrangement will not impair the efficient formulation and implementation of the Group's strategies. The Board will periodically review such arrangement and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation and business development.

### **Code Provision A.4.1**

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of Conduct regarding securities transactions by the directors of the Company. All Directors have confirmed that they fully complied with the Model Code during the period under review.

## AUDIT COMMITTEE

The Group’s unaudited accounts for the period under review have been reviewed by the Audit Committee of the Company.

By Order of the Board  
**Cheung Wai Shing**  
*Executive Director*

Hong Kong, 20 January 2009