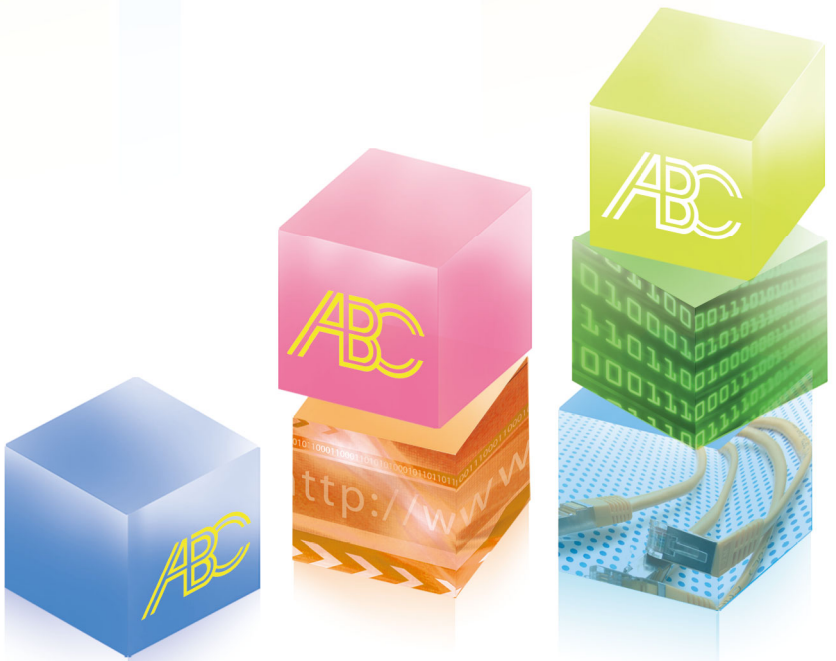




ABC Communications (Holdings) Limited

Interim Report 10/11

(Incorporated in Bermuda with limited liability)
(Stock Code: 30)



CORPORATION INFORMATION

Board of Directors:

Executive Directors:

Mr. Chen Jiasong (*Deputy Chairman*)

Mr. Wang Zhi Gang

Mr. Cheung Wai Shing

Mr. Zhao Bao Long

Non-executive Director:

Mr. Hou Hui Min (*Honorable Chairman*)

Independent non-executive Directors

Mr. Tsang Kwok Wai

Mr. Lee Kwong Yiu

Mr. Zhang Guang Hui

Committees:

Audit Committee:

Mr. Tsang Kwok Wai

Mr. Lee Kwong Yiu

Mr. Zhang Guang Hui

Remuneration Committee:

Mr. Tsang Kwok Wai

Mr. Lee Kwong Yiu

Mr. Zhang Guang Hui

Company Secretary:

Mr. Cheung Wai Shing

Authorized Representatives

Mr. Chen Jiasong

Mr. Cheung Wai Shing

Registered Office:

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda.

Principal Place of Business:

Room 2912, 29/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

Chan, Tang and Kwok Solicitors

Homepage:

www.hkabc.com

ABC COMMUNICATIONS (HOLDINGS) LIMITED

The Directors are pleased to present the Group's condensed consolidated interim financial information for the six months ended 30 September 2010. The condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flow for the six months ended 30 September 2010, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 2 to 20 of this report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	Unaudited 30 September 2010 HK\$	Audited 31 March 2010 HK\$
ASSETS			
Non-current asset			
Property, plant and equipment	5	1,017,428	1,601,441
Current assets			
Trade receivables	6	7,950,489	8,542,526
Other receivables, deposits and prepayments		3,935,357	2,642,336
Deposit paid for acquisition of subsidiaries		130,000,000	130,000,000
Derivative financial assets		855	21,807,425
Bank balances and cash		28,581,402	31,997,595
		170,468,103	194,989,882
Current liabilities			
Trade and other payables	7	15,535,532	15,428,481
Advance subscriptions and licence fees received		3,089,357	3,266,698
Amount due to a director		1,500,000	1,000,000
Derivative financial liabilities		2,430,077	1,925,220
Convertible bonds		91,847,248	123,801,392
		114,402,214	145,421,791
Net current assets		56,065,889	49,568,091
Total assets less current liabilities		57,083,317	51,169,532
EQUITY			
Capital and reserves			
Share capital	8	5,045,360	4,775,360
Reserves		41,402,162	36,192,807
Equity attributable to owners of the parent		46,447,522	40,968,167
Minority interests		10,635,795	10,201,365
Total equity		57,083,317	51,169,532

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited
Six months ended 30 September

	<i>Notes</i>	2010 HK\$	2009 HK\$
Turnover	4	50,480,028	69,257,346
Cost of sales		(41,728,203)	(59,462,510)
Gross profit		8,751,825	9,794,836
Other income		12,150	282,199
Other (losses) gains – net		(19,999,497)	(251,500)
Operating expenses		(12,217,631)	(9,784,794)
Finance costs		(11,367,836)	–
(Loss) profit before taxation	9	(34,820,989)	40,741
Income tax expenses	10	–	–
(Loss) profit for the period		(34,820,989)	40,741
Attributable to:			
– Owners of the parent		(35,255,419)	(1,159,284)
– Minority interests		434,430	1,200,025
		(34,820,989)	40,741
(Losses) per share	11	(7.20) cents	(0.25) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$	HK\$
		(restated)
(Loss) profit and total comprehensive income for the period	<u>(34,820,989)</u>	<u>40,741</u>
Attributable to:		
– Owners of the parent	(35,255,419)	(1,159,284)
– Minority interests	<u>434,430</u>	<u>1,200,025</u>
	<u>(34,820,989)</u>	<u>40,741</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Attributable to owners of the Company

	Share capital	Reserves	Retained earnings	Sub-total	Non- controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
As at 1 April 2009	4,668,860	107,990	2,503,726	7,280,576	7,855,998	15,136,574
Loss for the period and total comprehensive income for the period	–	–	(1,159,284)	(1,159,284)	1,200,025	40,741
As at 30 September 2009	<u>4,668,860</u>	<u>107,990</u>	<u>1,344,442</u>	<u>6,121,292</u>	<u>9,056,023</u>	<u>15,177,315</u>
As at 1 April 2010	4,775,360	35,857,932	334,875	40,968,167	10,201,365	51,169,532
Loss for the period and total comprehensive expense for the period	–	–	(35,255,419)	(35,255,419)	434,430	(34,820,989)
Issue of shares upon placing	160,000	21,564,724	–	21,724,724	–	21,724,724
Issue of shares on conversion of convertible bonds	<u>110,000</u>	<u>12,792,784</u>	<u>6,107,266</u>	<u>19,010,050</u>	–	<u>19,010,050</u>
As at 30 September 2010	<u>5,045,360</u>	<u>70,215,440</u>	<u>(28,813,278)</u>	<u>46,447,522</u>	<u>10,635,795</u>	<u>57,083,317</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited	
		Six months ended 30 September	
	<i>Notes</i>	2010	2009
		HK\$	HK\$
Operating activities			
Cash (used in) generated from operating activities		(3,536,199)	4,016,686
Net cash (used in) from operating activities		(3,536,199)	4,016,686
Investing activities			
Purchase of property, plant and equipment	5	(116,868)	(291,543)
Proceeds from sale of property, plant and equipment		–	5,000
Interest received		12,150	4,199
Net cash used in investing activities		(104,718)	(282,344)
Financing activities			
Advanced from ultimate holding company		–	1,117,596
Advanced from a director		500,000	1,000,000
Redemption of convertible bonds		(22,000,000)	–
Net proceeds from issue of shares		21,724,724	–
Net cash from financing activities		224,724	2,117,596
Net (decrease) increase in cash and cash equivalents		(3,416,193)	5,851,938
Cash and cash equivalents at the beginning of the period		31,997,595	22,581,847
Cash and cash equivalents at the end of the period, represented by bank balances and cash		28,581,402	28,433,785

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (the “Company”) is an investment holding company, its subsidiaries (together collectively referred to as the “Group”) are principally engaged in providing financial information services and securities trading system licensing and wireless applications development.

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 address of its principal place of business is Room 2912, 29/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

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 30 November 2010.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2010 has been prepared in accordance with Hong Kong Accounting Standard 34 (“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 2010.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2010, except as described below.

3. **PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

Application of new and revised Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 April 2010.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009 that are effective for annual periods beginning on or after 1 July, 2009 and 1 January, 2010, as appropriate
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Right Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners

HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidated and Separate Financial Statements

The Group applied HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 April 2010. The requirements in HKAS 27 (Revised) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 April 2010.

As there was no business combination occurred during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27(Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods. Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs are applicable.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments ²

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

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segment. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

In prior years, primary segment information was analysed on the basis of the types of services supplied by the Group's operating divisions (i.e. financial quotation and securities trading system licensing and wireless applications). However, based on the internal information reported to the chief operating decision maker (i.e. the executive directors), only the aggregate financial information business of the Group would be used for the purposes of performance assessment. Accordingly, the segment information presentation has been redesignated by combining the financial information of primary business segment of financial quotation and securities trading system licensing and wireless application as determined in accordance with HKAS 14 in the annual financial statements for the year ended 31 March 2010. The Group does not have separately reportable segment.

The Group's major operations and markets are located in Hong Kong and therefore no geographical information is provided.

The following table present revenue and profit information regarding the Group's operating segments for the six months ended 30 September 2010 and 2009.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Financial quotation and securities trading system licensing		Total	
	Six months ended 30 September		Six months ended 30 September	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Turnover	50,480,028	69,257,346	50,480,028	69,257,346
Segment profit	8,751,825	9,794,836	8,751,825	9,794,836
Unallocated corporate income			12,150	282,199
Unallocated corporate expenses			(34,217,127)	(10,036,294)
Finance costs			(11,367,836)	–
(Loss) profit before taxation			(34,820,989)	40,741

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by the segment without allocation of certain interest income, certain administrative expenses and finance costs.

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

	As at	
	30 September 2010 HK\$ (Unaudited)	31 March 2010 HK\$ (Audited)
Segment assets		
Financial quotation and securities trading system licensing	38,915,485	38,254,184
Unallocated corporate assets	132,570,046	158,337,139
Consolidated assets	171,485,531	196,591,323
Segment liabilities		
Financial quotation and securities trading system licensing	17,209,782	17,435,072
Unallocated corporate liabilities	97,192,432	127,986,719
Consolidated liabilities	114,402,214	145,421,791

For the purpose of monitoring segment performance and allocating resources between segments:

- As at 30 September 2010, all assets are allocated to reportable segments other than certain other receivables and prepayments, deposit paid for acquisition of subsidiaries, derivative financial assets and certain bank balances and cash as these assets are managed on a group basis.
- As at 30 September 2010, all liabilities are allocated to reportable segments other than certain other payables, amount due to a director, derivative financial liabilities and convertible bonds as these liabilities are managed on a group basis.

4. SEGMENT INFORMATION *(Continued)*

Other segment information

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

For the six months ended 30 September 2010

	Financial quotation and securities trading system licensing HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation of property, plant and equipment	700,881	-	700,881
Additions to non-current assets	116,868	-	116,868
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:			
Fair value loss on derivative financial assets	-	18,627,216	18,627,216
Fair value loss on derivative financial liabilities	-	1,372,281	1,372,281
Interest income	(12,150)	-	(12,150)
Finance costs	-	11,367,836	9,367,837

4. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the six months ended 30 September 2009

	Financial quotation and securities trading system licensing HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation of property, plant and equipment	792,165	–	792,165
Gain on disposal of property, plant and equipment	(5,000)	–	(5,000)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:			
Interest income	(4,199)	–	(4,199)

Geographical information

The Group's business divisions operate in Hong Kong. All turnover of the Group was generated in Hong Kong and all non-current assets are located in Hong Kong.

Revenue from major product and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	Unaudited Six months ended 30 September	
	2010 HK\$	2009 HK\$
Revenue from financial quotation and securities trading system licensing services	50,302,428	68,906,677
Revenue from wireless applications	177,600	350,669
	50,480,028	69,257,346

4. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$	HK\$
Customer A (note)	<u>29,634,140</u>	<u>46,169,184</u>

Note: Revenue from financial quotation and securities trading system licensing services.

5. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2010, the Group acquired assets with a cost of HK\$116,868 (2009: HK\$291,543).

	Property, plant and equipment HK\$ (Unaudited)
Six months ended 30 September 2009	
Carrying amount at 1 April 2009	2,564,071
Additions	291,543
Depreciation	<u>(792,165)</u>
Carrying amount at 30 September 2009	<u>2,063,449</u>
Six months ended 30 September 2010	
Carrying amount at 1 April 2010	1,601,441
Additions	116,868
Depreciation	<u>(700,881)</u>
Carrying amount at 30 September 2010	<u>1,017,428</u>

6. TRADE RECEIVABLES

At 30 September 2010 and 31 March 2010, the ageing analysis of the trade receivables were as follows:

	As at	
	30 September 2010 HK\$ (Unaudited)	31 March 2010 HK\$ (Audited)
0 – 3 months	7,841,469	8,326,649
4 – 6 months	99,470	206,327
Over 6 months	9,550	9,550
	<u>7,950,489</u>	<u>8,542,526</u>

The receivables are due upon the date of invoice.

7. TRADE AND OTHER PAYABLES

	As at	
	30 September 2010 HK\$ (Unaudited)	31 March 2010 HK\$ (Audited)
Trade payables (note (a))	12,879,299	13,187,887
Other payables and accrued charges	2,047,832	1,632,193
Amount due to ultimate holding company (note (b))	608,401	608,401
	<u>15,535,532</u>	<u>15,428,481</u>

7. TRADE AND OTHER PAYABLES *(Continued)*

- (a) As at 30 September 2010 and 31 March 2010, the ageing analysis of the trade payables was as follows:

	As at	
	30 September 2010 HK\$ (Unaudited)	31 March 2010 HK\$ (Audited)
0 – 3 months	12,758,291	13,187,887
4 – 6 months	37,736	–
Over 6 months	83,272	–
	<hr/> 12,879,299 <hr/>	<hr/> 13,187,887 <hr/>

The payables are due upon the date of invoice.

- (b) The amounts due to ultimate holding company and a director are unsecured, interest-free and repayable on demand.

8. SHARE CAPITAL

	As at	
	30 September 2010 HK\$ (Unaudited)	31 March 2010 HK\$ (Audited)
Authorised:		
6,000,000,000 ordinary shares of HK\$0.01 each	60,000,000	60,000,000
Issued and fully paid:		
504,536,000 (31 March 2010: 477,536,000) ordinary shares of HK\$0.01 each	5,045,360	4,775,360

8. SHARE CAPITAL *(Continued)*

- (i) During the six months ended 30 September 2010, 11,000,000 ordinary shares of the Company with par value of HK\$0.01 each were issued upon the partial conversion of convertible bonds in principal amount of HK\$22,000,000 at a conversion price of HK\$2 each.
- (ii) During the six months ended 30 September 2010, 16,000,000 shares of HK\$0.01 each were issued at HK\$1.38 each to the independent third party by placing.

There was no outstanding option as at 30 September 2010 and 31 March 2010.

9. (LOSS) PROFIT BEFORE TAXATION

The following items have been (charged) credited to the loss before taxation for the six months ended 30 September 2010:

	HK\$ (Unaudited)
Depreciation of property, plant and equipment	(700,881)
Interest income	12,150
Fair value loss on derivative financial assets	(18,627,216)
Fair value loss on derivative financial liabilities	(1,372,281)

The following items have been (charged) credited to the profit before taxation for the six months ended 30 September 2009:

	HK\$ (Unaudited)
Depreciation of property, plant and equipment	(792,165)
Interest income	4,199
Gain on disposal of property, plant and equipment	5,000

10. INCOME TAX EXPENSES

Hong Kong Profits Tax has not been provided as the Group has no estimated assessable profit for the period ended 30 September 2010 (2009: Nil).

	Six months ended 30 September	
	2010 HK\$ (Unaudited)	2009 HK\$ (Unaudited)
Current income tax	—	—
Deferred income tax	—	—
	<u>—</u>	<u>—</u>

11. LOSSES PER SHARE

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

	Six months ended 30 September	
	2010 HK\$ (Unaudited)	2009 HK\$ (Unaudited)
Losses		
Loss for the period attributable to owners of the parent	<u>35,255,419</u>	<u>1,159,284</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>489,464,962</u>	<u>466,886,000</u>

12. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2010, nor has any dividend been proposed since the end of the reporting period. (2009: nil)

13. RELATED-PARTY TRANSACTIONS

Key management compensation amounted to HK\$1,838,000 for the six months ended 30 September 2010 (HK\$895,000 for the six months ended 30 September 2009), is set out below.

	Six months ended 30 September	
	2010	2009
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Salaries, retirement benefit contribution and other short-term benefits	<u>1,838,000</u>	<u>895,000</u>

14. POST BALANCE SHEET EVENT

- (i) On 18 October 2010, the Company entered into a placing and subscription agreement with Asian Gold Dragon Limited as the Vendor and the Subscriber, and Upbest Securities Company Limited together with Athens Capital Limited as Placing Agents to place, on a best efforts basis, 30,000,000 shares at a price of HK\$1.15 per share to not less than six independent investors under a general mandate granted to the Directors at the annual general meeting held on 31 March 2010. The placing was terminated on 1 November 2010 and no shares have been issued by the Company under the placing and subscription.
- (ii) On 5 November 2010, the Company and the Vendor entered into a supplemental agreement supplementing to the acquisition agreement related to the Proposed Acquisition. Pursuant to this supplemental agreement, the Company and the Vendor have agreed to extend the deadline for the fulfillment of the conditions to the Proposed Acquisition from 30 November 2010 to 28 February 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Our Group reported a loss of HK\$35 million or a loss per shares of 7.20 cents for the six months ended 30 September 2010 (2009: Profit of HK\$40,741). The operating loss was mainly caused by the finance costs of HK\$11.4 million and change in fair value of derivatives of HK\$20 million in relation to the convertible bonds due 2010. The operating expenses amounted to HK\$12.2 million, which represented an increase of 24.9% over that of last corresponding period.

Interim Dividend

The Directors did not recommend an interim dividend for the six months ended 30 September 2010.

Business Review

The principal activities of the Group 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.

Face with intense competitions and hit from the launch of free real-time stock data on designated websites by the Stock Exchange, QuotePower, our principal operating subsidiary in financial quotation services, has suffered from a loss of business. Turnover of the Group dropped to HK\$50.5 million, a decrease of 27.11% over that of the interim result of last year.

Outlook

The financial results of QuotePower, the main revenue producer of the Group, will to a large extent depend on the performance of the stock market. Investor sentiments have been recovering as a result of the quantitative easing monetary policies adopted by various governments after the financial tsunami in earlier years. Given the strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to regain its proven track records. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should also present us with new growth prospects, which we believe QuotePower is well-placed to capture. 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. It is expected that the financial quotation services provided by the Group will still face severe challenge ahead. The management will strive to exercise prudent business measures to maximize its profitability or to minimize the loss.

The Board believes that it is in the best interests of the Company and the Shareholders to diversify the business of the Group. The management of the Company has reviewed various investment opportunities in the field of energy and resources. On 12 October 2009, the Company entered into an acquisition agreement with an independent third party. Upon completion, the Company will be the single largest shareholder of Shandong Guoda Gold Company Limited (“Guoda Gold”), a renowned and one of the largest gold smelting and refining companies in China. Guoda Gold has an annual production capacity of 15 tonnes gold, 40 tonnes silver, 400,000 tonnes industrial sulphuric acid, 150,000 tonnes copper cathodes and waste heat recovery power generation of 50 million kWh (kilowatt-hour). It is also one of the few qualified gold refineries certified by Shanghai Gold Exchange as standard gold bullion production enterprise. Guoda Gold has proven track records. It is expected that it will contribute positively to the Group’s operating results and cashflows in future years, if the acquisition completes. The acquisition is still in progress pending the finish of all necessary due diligence works. A circular containing further details of the acquisition and Guoda Gold will be dispatched to shareholders of the Company when all such due diligence works have been satisfied.

On 12 October 2009, the Company has entered into a formal sale and purchase agreement in relation to a possible acquisition of gold mining and smelting business in China (the “**Proposed Acquisition**”). The Proposed Acquisition will constitute a notifiable transaction for the Company pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Proposed Acquisition constitute an investment in a new business sector to the Group and represents a good opportunity for the Company to enter into natural resources industry.

FINANCIAL POSITION

During the period under review, the Group maintains a conservative approach to cash management and risk controls. To achieve better risk controls and efficient fund management, the Group’s treasury activities are centralized. More than 90% of our receipts and payments are in Hong Kong dollars. Cash and bank balances are placed in deposits denominated either Hong Kong dollar. As at 30 September 2010, the Group had cash and cash equivalents of approximately HK\$28.6 million.

Except for the Convertible Bonds due 2010, the Group had no other bank borrowings. Total liabilities of the Group as at 30 September 2010 were HK\$114.4 million (compared with HK\$145.4 million on 31 March 2010, and HK\$27.2 million on 30 September 2009). They mainly comprised of the Convertible Bonds, trade and other payable. All liabilities of the Group was denominated in HK dollars.

The Group’s debt-to-equity ratio as calculated by dividing total liabilities over total equity, as at 30 September 2010, was 2.00 times (31 March 2010: 2.84 times).

At as 30 September 2010, the Group had net current assets of HK\$56.1 million (31 March 2010: net current assets of HK\$49.6 million). Nevertheless, as the Convertible Bonds will be mature on early December 2010, the Company was still facing with pressure on financing. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company. The Board is confident that the Company will be able to meet its financial obligation as and when they fall due and has sufficient working capital to support future operational needs.

CAPITAL RAISING AND USE OF PROCEEDS

On 27 August 2010, the Company entered into a placing and subscription agreement with Asian Gold Dragon Limited as the Vendor and the Subscriber, and VC Brokerage Limited as Placing Agent to place, on a best efforts basis, 20,000,000 shares at a price of HK\$1.38 per share to not less than six independent investors under a general mandate granted to the Directors at the annual general meeting held on 31 March 2010. Completion of the Placing took place on 1 September 2010 where a total of 16,000,000 shares beneficially owned by the Vendor were placed by the Placing Agent. Net proceeds of approximately HK\$21.7 million had been raised and used to reduce the borrowings of the Company.

PLEDGE OF ASSETS

As at 30 September 2010, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	Unaudited 30 September 2010 HK\$	Audited 31 March 2010 HK\$
Capital commitment in respect of the acquisition of subsidiaries:		
– Contracted but not provided for	250,000,000	250,000,000

As set out in the Company's announcement dated 11 February 2010, on 12 October 2009, the Group entered into an acquisition agreement with, an independent third party regarding the Proposed Acquisition. According to the acquisition agreement, the Group will acquire the entire issued share capital and all shareholders' loans of the target company from the vendor for a total consideration of HK\$380 million. As at 30 September 2010, a refundable cash deposit of HK\$130 million has been paid to the Vendor.

As at 30 September 2010, the Group had no material contingent liabilities.

EMPLOYEE REMUNERATION POLICY

As at 30 September 2010, the Group had 43 employees. Total salaries and related costs incurred for the period under review amounted to HK\$5.8 million (2009: HK\$6.3 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

As 30 September 2010, 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) where 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) where 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 "Code") 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

Under the share options scheme (the "Options 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 period ordinary share in the Company subject to the stipulated terms and conditions.

As at 30 September 2010, the total number of shares available for issue under the Options Scheme was 44,186,000 shares which represented approximately 8.76% of the total issued share capital of the Company.

During the period under review, no options were granted or exercised under the Options Scheme. No options were outstanding under the Options Scheme as at 30 September 2010.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 30 September 2010, 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% or more of the Company's issued share capital.

Name	Number of Ordinary Shares held	Percentage
Asian Gold Dragon Limited	255,994,500	50.74%
Mr. Sze Chun Ning, Vincent (<i>Note (i)</i>)	255,994,500	50.74%
Rising Step Holdings Limited	71,376,000	14.15%
Mr. Zhou Shui Jia (<i>Note (ii)</i>)	71,376,000	14.15%

Note:

- (i) These shares are held by Asian Gold Dragon Limited. Mr. Sze Chun Ning, Vincent holds 85% issued share capital of Asian Gold Dragon Limited.
- (ii) These shares are held by Rising Step Holdings Limited. Mr. Zhou Shui Jia holds 100% issued shares capital of Rising Step Holdings Limited.

All the interests stated above represent long position. Save as disclosed herein, there is no person known to the directors who, as at 30 September 2010, 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 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 2010 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. The Company had no officer with the title of CEO. The roles and functions of CEO have been performed by all the executive Directors of the Company collectively. Dr. Lew Mon Hung (“Dr. Lew”), the former Chairman, had resigned as the Chairman and executive director of the Company on 23 August 2010. Following Dr. Lew’s resignation, the Company has no officer with the title of Chairman. The role and function of the Chairman have been performed by Mr. Chen Jiasong, the Deputy Chairman, of the Company. 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 Audit Committee of the Company comprises three independent non-executive directors, namely Mr. Tsang Kwok Wai, Mr. Lee Kwong Yiu and Mr. Zhang Guang Hui.

The Group’s unaudited accounts for the six months ended 30 September 2010 have been reviewed by the Audit Committee of the Company.

By order of the Board
Chen Jiasong
Deputy Chairman

Hong Kong, 30 November 2010