GLOBAL TECH (HOLDINGS) LIMITED
耀 科 國 際 (控 股) 有 限 公 司

(Stock Code 股份代號：143)

CONTENTS

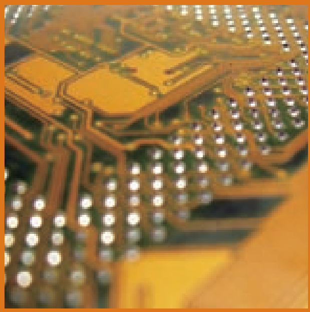

Corporate
Profile

Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") provide business process expertise and marketing innovations to help technology vendors leverage their competitive advantages in order to position themselves for market success.

Combining its strengths in branding, marketing and distribution, the Group continually advances with the development of telecommunication and consumer electronics technologies and solutions. It is committed to engaging the relevant consumers for client vendors in their specific market or sphere of interest.

The Group's business portfolio also includes the offering of repair services for telecommunications products, and investments in financial assets and other business sectors.

Chairman's Statement



While improvement was noted in several key economic sectors during the year ended 30 September 2010, the overall course of the global economy continued to exhibit fragility. In particular, market nervousness concerning the fiscal positions of several high-income European countries posed a new challenge for the world economy.

Concerns about the sustainability of these countries' fiscal positions spilled over into global financial markets in mid-2010. The continued potential of the European debt crisis to expand to other high-income economies with serious fiscal difficulties could generate significant disruption to developing countries' growth in exports and gross domestic product ("GDP"). As pointed out by the World Bank, global growth could be significantly impaired; indeed, the possibility of a double-dip recession could not be ruled out.

Developing countries and regions with close trade and financial connections to these highly-indebted high-income countries may also face severe repercussions, as the advanced economies are likely to undergo a significant fiscal contraction.

Developing nations in Asia and other parts of the world have had fairly good economic growth over the past few years, but the quality of growth is now considered more important than its speed, owing to increasing concerns over issues such as income inequality and environmental degradation. Huge challenges have also arisen for the developing countries due to the global economic downturn, and rising commodity and food prices are creating increasing inflationary pressure.

Chairman's Statement

For the telecommunications sector, the launch of the iPhone by Apple has transformed the mobile market to such an extent that it has been dubbed a "tsunami" for the industry. According to IDC, Apple surpassed Research in Motion as the number four mobile vendor in the third quarter of 2010. Apple's success triggered a new round of massive changes in the already crowded smartphone market, with most of the world's leading players losing ground in this new market segment.

Nokia, the world's biggest maker of mobile phones, saw its global smartphone share fall sharply to 37% in the second quarter compared with 45% in the same period last year, while Apple's iPhone boosted its share to 14% from 13% during the period. Research in Motion found the market share for its BlackBerry in the smartphone segment slipping to 18% in the second quarter of this year from 19% a year earlier. Motorola, the inventor of the cellphone, managed to inch up to a 5% share from 4% following two extremely difficult years, with the Droid, using Google Inc's Android operating system, as the centerpiece of its phone division's turnaround.

Newer vendors from mainland China and Korea are also rapidly entering the competitive landscape of the global smartphone market. However, a record quarterly loss by LG Electronics for the July-September period reflected an uphill task for these newcomers in competing in the smartphone race.

This led to comments by some industry analysts that smartphones are not so smart for many players. Their doubts even extend to Apple, which insists on a tightly controlled ecosystem, as to whether the iPhone can win in an intensively competitive market against rivals that are openly licensing their software to scores of companies. Apple is faced with head-on competition from as many as 90 different handsets worldwide powered by Google's Android operating system, fast becoming a de facto standard. Among these are Motorola's Droid series; the Droid, Magic and Desire series from HTC; the Fascinate from Samsung Electronics; and the Optimus and Ally from LG Electronics, to name but a few.

In addition to the Android family, Apple already competes with Research in Motion. The vendor has unveiled a new BlackBerry smartphone to go head to head against the iPhone, with a touch-screen and slide-out keyboard, operating on a new system and offering a more user-friendly Web browser. Nokia cannot be counted out in the smartphone competition, either; the world's biggest handset maker is hoping to turn around the slide in its share of the smartphone market with a line-up of the C7, E7, N8 and other models on its revamped Symbian 3 platform.

Apple also has one more powerful foe: Microsoft. In a bid to claw back market share, the company launched Windows Phone 7 operating system to attempt to make an impact on the market for multi-featured smartphones. The world's largest software company is pinning its hopes on a line-up of new phones from handset makers including Samsung Electronics, LG Electronics, HTC and Dell to propel it forcefully back into the mobile market.

The rivals' bid to catch up has already had an impact on Apple. In the United States, consumers are now buying more Android phones than iPhones. If the trend continues, analysts expect that in about a year, the iPhone's lead in the high end of the smartphone market will be significantly threatened.

Chairman's Statement

As described by a Gartner analyst, the smartphone race is a marathon, not a sprint.

The worldwide smartphone market reached a new milestone during the third quarter of 2010. During the first two quarters, vendors shipped a total of 200 million smartphones, up 68% year on year, prompting IDC to raise its full-year growth forecast for 2010 to 55%, while overall mobile phone growth was forecast to be 14%. The outlook for 2011 is for the smartphone market to expand by a further 25%.

The smartphone's exponential growth points to a less-than-optimistic forecast for voice traffic. China Mobile recently cautioned the market that the company was not optimistic about the outlook for mobile operators to improve revenue as slower sales from voice calls outweigh the increased demand for data services spurred by smartphones. The world's biggest mobile carrier by market value issued a clear message that the increase in data usage will not necessarily lead to revenue growth. The company reported only 8% revenue growth in the first nine months of 2010, a period during which data traffic has doubled.

The Group does not see any fundamental change to its cautious view on the operating environment of the telecommunications industry, as price competition continues to build and a shorter replacement cycle is being sparked by the wave of smartphone growth. As such, the Group will maintain its prudent strategy of minimizing inventory while expanding businesses that generate steady sources of income. It is also actively exploring new opportunities of engaging in business with new vendors of telecommunications products and other electronic consumables, as well as new business opportunities in other sectors.

In view of the telecommunications industry's severe price competition continuing to exert pressure on the profitability of both vendors and carriers, management will continue to exercise prudence to address the difficulties. On a broader front, management will stay alert to new challenges emerging from a global economy that is expected to lose some steam in the quarters that follow.

Until there are stronger signs of market recovery, the Group will increase its caution in the near term to better protect the interests of its stakeholders.

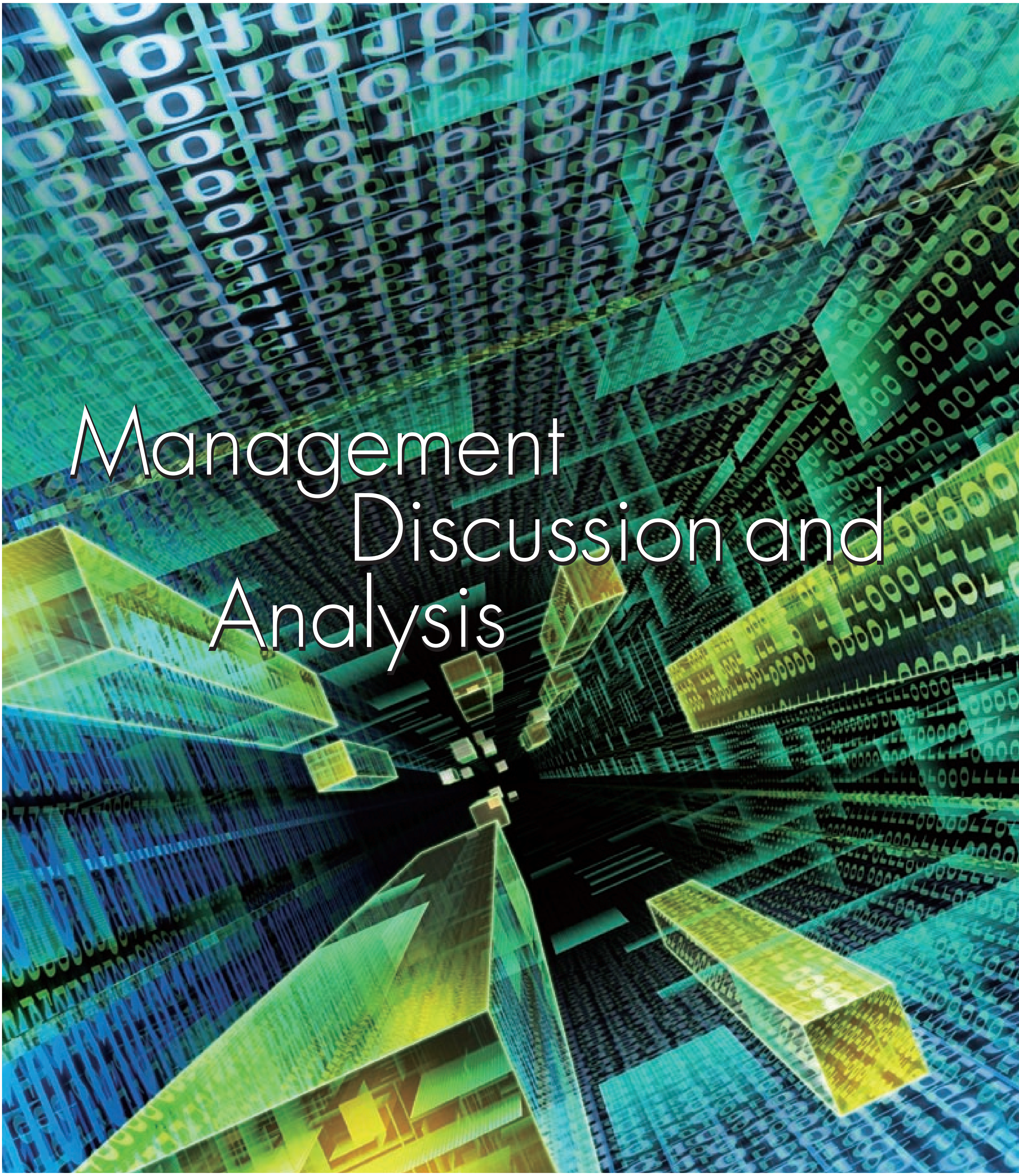
Although the outlook of the general economy and confidence levels are increasing as of this report, the Group anticipates a very tight control of expenditures on after-sales services will be imposed by vendors. Margins for most of vendors are deteriorating. Therefore, the subsidies from vendors in relation to sales and marketing, in particular repair services, would be shrinking substantially, except for research and development. In view of this, the Group is likely going to face a fairly challenging operating environment in coming years.

The outlook will remain fragile, with significant obstacles standing in the way of a smooth recovery. We couldn't agree more with the above statement made by the World Bank. This could be the key challenge facing most industries in 2011.

SY Ethan, Timothy
Chairman

Hong Kong, 17 December 2010

Management Discussion and Analysis



Financial Highlights

During the year ended 30 September 2010, the Group's turnover was approximately HK$32.4 million (2009: HK$30.9 million), a 4.9% increase on the results for the previous year, helped by the steady income stream generated from the provision of repair services for telecommunications products.

In broad terms, the business environment for the telecommunications and consumer electronics industry continued to be strongly impacted both by rapidly evolving market conditions, including much shortened product life cycles and fierce price competition on both hardware and services, and, above all, by uncertainties in the overall economic environment. Against such a backdrop, the Group has maintained prudence in the operation of its telecommunications products trading segment, resulting in a decline in sales by 25.6% year on year to approximately HK$6.1 million (2009: HK$8.2 million).

The Group posted a loss from operations of approximately HK$23.7 million (profit in 2009: HK$1.3 million), with loss for the year amounting to approximately HK$10.3 million (profit in 2009: HK$2.1 million). The change was mainly attributable to the decrease in the sales in telecommunications products and compensation income.

Management Discussion and Analysis

The Hong Kong Market

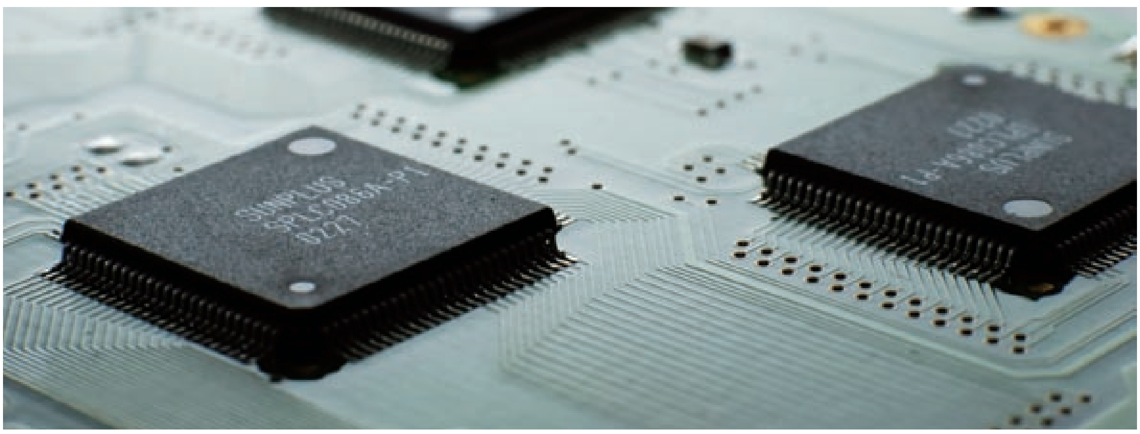
Hong Kong remains one of the most competitive and mature telecommunications markets in the world. The territory's mobile subscriber penetration rate continued to be on the rise, up from about 170% at the same time last year to 184% by July 2010, according to the latest statistics from the Office of the Telecommunications Authority. Up to July 2010, the number of mobile subscribers increased to 13 million, among whom about 5.8 million were 2.5 generation (2.5G) or third generation (3G) service subscribers.

The local consumer electronics devices market, including computing devices, mobile handsets and AV products, is projected to be worth around US$3.8 billion in 2010. Handset sales are expected to grow at a CAGR of about 2.7% to US$455 million in 2014, with sales driven mainly by replacements, as penetration is already extremely high. The smartphone segment grew by around 20% in 2009, and ongoing it is forecast to increase three to four times faster than the market as a whole. Apart from wider product availability, growth in this segment is also helped by smartphones increasingly being priced at mass market levels.

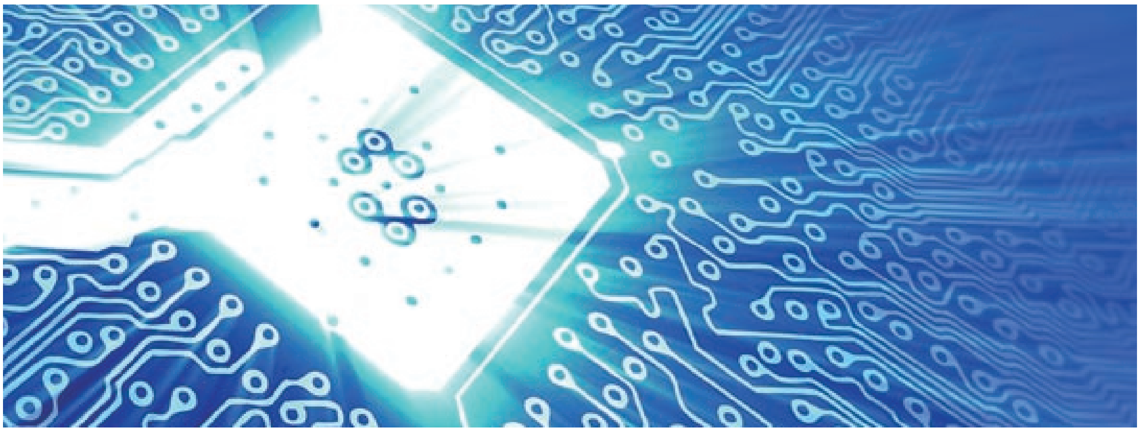
Hong Kong consumers are at the forefront of global smartphone usage. Almost half of the respondents to a survey undertaken in June 2010 in Hong Kong own a smartphone, more than double the global proportion. The importance of owning a smartphone is changing how users choose their mobile phones. Smartphone users are increasingly accessing features such as pull email, push email, mobile internet, content and applications. Touch-screen handsets are also increasingly popular.

Social networking is key to the new mode of mobile communications. In Hong Kong, about 30% of mobile users regularly check and update their social networks, compared to 12% globally. Another 24% do blogging on their phones, a big jump from 6% in 2009.

The rising consumer intent in purchasing mobile devices is driving high sales expectations for Hong Kong. Of note is the decreasing life cycle of mobile phones – shrinking from 34 months in the 2009 survey to 31 months this year.



Management Discussion and Analysis



Mobile carriers are fast incorporating the new dynamic in their go-to-market strategies, but as mobile broadband services move from the drawing board to the marketplace, some industry analysts express concern that new service subscribers can make the current average revenue per user (ARPU) metrics irrelevant. New fourth generation (4G) network subscribers will likely generate only minimal monthly revenue from voice connections, and subscriber usage will be expressed more in terms of data traffic. Research and Markets therefore expects industry average monthly ARPU to remain stagnant over the next several years, with negative ARPU growth for certain operators who are losing market share.

Asia's first 4G network was launched in November in Hong Kong. Based on mobile broadband technology Long Term Evolution (LTE), the network was introduced by CSL ahead of early 4G frontrunners in the region, including NTT DoCoMo of Japan and SK Telecom of South Korea. The new service will enable high-speed download of high-definition videos and movies. ZTE and Samsung Electronics will provide the first LTE-ready devices on CSL's 4G network in the form of USB modems attached to computers for high-speed data access. More 4G devices are expected to be available in the first half of next year, including a range of smartphones and media tablets.

Research firm Wireless Intelligence forecasts that Hong Kong will have 1.4 million 4G connections by 2015.

On overall consumption, a survey by Nielsen Co indicated a rise in local consumer confidence to its highest level since the slump in 2009. However, economists and researchers warned that despite growing confidence and improving economic prospects, Hong Kong is facing headwinds of asset inflation, which is a bigger risk in the near term as the property and equity markets are forecast to have peaked. Analysts further expect the flooding of hot money into the city to increase the possibility of an asset bubble and a likely correction. Inflation is expected to worsen and rising prices of basic necessities have already become a top concern.

Management Discussion and Analysis

Liquidity, Financial and Working Capital Resources

The Group's total non-current assets decreased to approximately HK$10.4 million (2009: HK$34.8 million) at 30 September 2010, mainly owing to the disposal of investment property and available-for-sale financial assets.

The Group continued its policy of maintaining low inventory levels during the year. As a result, inventories remained at a relatively low level of approximately HK$3.4 million (2009: HK$1.5 million) at 30 September 2010.

At 30 September 2010, the Group had net trade receivables of approximately HK$28.4 million (2009: HK$40.7 million).

The Group was granted a banking facility and fixed deposit of approximately HK$4.7 million (2009: HK$4.7 million) was pledged as collateral. The current ratio was 2.14 (2009: 2.07) while the liquid ratio stood at approximately 2.09 (2009: 2.05).

The objective of the Group's cash-management policy is to optimize liquidity to gain better return for shareholders in a risk-averse manner. At 30 September 2010, there is no investment in financial assets at fair value through profit or loss (2009: HK$0.4 million).

The Group had no borrowings within the Group at 30 September 2010 (2009: HK$Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2009: Nil).

As the global financial markets continue to show low visibility, the Group is committed to maintaining a conservative cash-management policy.

Currencies

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2010, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

Contingent Liability

The Group did not have any significant contingent liability at 30 September 2010.

Litigation

A landlord, who leased an office premises to Techglory International Limited ("TGI"), a wholly-owned subsidiary of the Group, issued a writ of summons of approximately HK$1,775,000 to TGI in respect of rental disputes. TGI was wound up by way of creditors' voluntary winding up, and has been deconsolidated from the consolidated financial statements in the year of 2009.

Management Discussion and Analysis

Prospects and Strategic Outlook

The Group continues to deliver on its goal of maintaining a stable course for its operations while identifying new business opportunities within the Group's policies on risk exposure. In a challenging market environment, the Group has focused on enhancing its service business component while delivering its cost control and efficiency targets.

Compressed product life and diffusion cycles for communication devices will lead the Group to the implementation of a more conservative product adoption strategy. The Group will continue to source and adopt appropriate products in the mobile phone and consumer electronics arena that fulfill its low-inventory requirements.

Enhancements will continue to be made to the Group's organisational system, following consistent efforts to streamline its business processes with a view to speeding up response to the changing environment.

Going into 2011, global mobile handset shipments are forecast by research firm IEMR to rise to 1.43 billion. In particular, over 40% of the global handset shipments will be for the Asia Pacific market.

Overall, analysts expect 2011 to be a period of modest recovery, with future development continuing to be focused on the proliferation of smartphones. Capital expenditure by mobile carriers is forecast to have bottomed out in 2010, with a renewed investment cycle to start in 2011 driven by the wave of 2G upgrades, 3G and LTE rollouts.

Although the outlook of the general economy and confidence levels are increasing as of this report, the Group anticipates a very tight control of expenditures on after-sales services will be imposed by vendors. Margins for most of vendors are deteriorating. Therefore, the subsidies from vendors in relation to sales and marketing, in particular repair services, would be shrinking substantially, except for research and development. In view of this, the Group is likely going to face a fairly challenging operating environment in coming years.

Employee Information

At 30 September 2010, the Group employed a work force of 98 (2009: 61). Staff costs, including salaries and bonuses, were approximately HK$17.1 million (2009: HK$16.4 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent.

The remuneration packages mainly include salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of the staff benefits.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The board of directors of the Company (the "Board") believes that good corporate governance is one of the areas that leads to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the year ended 30 September 2010, the Company has complied with the code provisions ("Code Provisions") set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations specified with considered reasons as explained below.

THE BOARD OF DIRECTORS

Composition and Responsibilities

The Board currently comprises six directors ("Directors"), of which two are Executive Directors, one is a Non-executive Director, and three are Independent Non-executive Directors.

The Board members are:

Executive Directors:
Mr. SY Ethan, Timothy *(Chairman)*
Mr. SUNG Yee Keung, Ricky

Non-executive Director:
Mr. KO Wai Lun, Warren

Independent Non-executive Directors:
Mr. Andrew David ROSS
Mr. Geoffrey William FAWCETT
Mr. Charles Robert LAWSON

The biographical details of each Director are set out in the section "Human Capital" on page 23.

While the Board is primarily overseeing and managing the Company's affairs, the Chairman of the Board provides leadership to the Board in carrying out its duties. The Executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The Non-executive Directors (including Independent Non-executive Directors) contribute valuable views and proposals for the Board's deliberation and decisions.

Corporate Governance Report

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by Mr. SY Ethan, Timothy. Although Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

Board Meetings

The Board members meet regularly, normally four times each year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 30 September 2010, four regular Board meetings were held and the attendance records of individual Directors are set out below:

	Number of Meetings Attended/Held
Executive Directors:	
Mr. SY Ethan, Timothy	4/4
Mr. SUNG Yee Keung, Ricky	0/4
Non-executive Director:	
Mr. KO Wai Lun, Warren	3/4
Independent Non-executive Directors:	
Mr. Andrew David ROSS	4/4
Mr. Geoffrey William FAWCETT	4/4
Mr. Charles Robert LAWSON	4/4

Appropriate notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are normally provided to the Directors in advance of Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

Directors have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the minutes are sent to all Directors for their comments and records. Minutes of Board meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

Corporate Governance Report

Appointment, Re-election and Removal

All Non-executive Directors have entered into service contracts with the Company for a specific term of two years.

Code Provision A.4.2 provides that every director should be subject to retirement by rotation at least once every three years. According to Article 116 of the articles of association, all Directors (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

The Board is collectively responsible for appointing new Directors either to fill casual vacancies or as additional Board members and removing any Director. Candidates to be appointed are those experienced, high calibre individuals with sufficient skill and knowledge required for the positions. All candidates must be able to meet the standards as set forth in rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in rule 3.13 of the Listing Rules. During the year ended 30 September 2010, there was no change in the composition of the Board.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Specific enquiry has been made to all Directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year under review.

Confirmation of Independence

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skill, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their experience, duties and knowledge.

Corporate Governance Report

Remuneration Committee

The Board established the Remuneration Committee in July 2006 with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in June 2008). The Committee comprises three Independent Non-executive Directors, namely Messrs. Geoffrey William FAWCETT, Andrew David ROSS and Charles Robert LAWSON, one Non-executive Director, namely Mr. KO Wai Lun, Warren and one Executive Director, namely Mr. SY Ethan, Timothy, and is chaired by Mr. Geoffrey William FAWCETT.

The Remuneration Committee is responsible for, inter alia, making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy. The revised written terms of reference of the Remuneration Committee are available on the Company's website.

During the year, the Remuneration Committee reviewed the remuneration packages of the Directors and employees of the Company.

The Remuneration Committee held one meeting during the year, and the attendance record of individual Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Geoffrey William FAWCETT *(Chairman)*	1/1
Mr. Andrew David ROSS	1/1
Mr. Charles Robert LAWSON	1/1
Mr. KO Wai Lun, Warren	1/1
Mr. SY Ethan, Timothy	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 37 to 99 were prepared on a going concern basis. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the year, the Company engaged Messrs. HLB Hodgson Impey Cheng ("HLB") as the external auditors. Apart from providing audit services, HLB also reviewed the interim results of the Group. The fees in respect of audit and non-audit services provided by HLB for the year ended 30 September 2010 approximately amounted to HK$1,200,000 and HK$250,000 respectively.

The reporting responsibilities of HLB are set out in the Independent Auditors' Report on pages 35 and 36.

Corporate Governance Report

Internal Controls

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness.

During the year, the Company conducted reviews on the effectiveness of the internal control system as required by the Code Provisions, including reviews on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Audit Committee also reviewed with members of the management the work done and the results of such reviews.

Audit Committee

The existing Audit Committee of the Company was established in December 2004, with written terms of reference in compliance with the Code Provisions adopted in August 2005 (which were further reviewed by the Board in July 2006). The Audit Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process and internal controls. The Committee currently comprises three Independent Non-executive Directors, namely Messrs. Andrew David ROSS, Geoffrey William FAWCETT and Charles Robert LAWSON and one Non-executive Director, namely Mr. KO Wai Lun, Warren, and is chaired by Mr. Andrew David ROSS.

The revised written terms of reference of the Audit Committee are available on the Company's website.

During the year, the Audit Committee reviewed with the management of the Company the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters. The Audit Committee also met with the external auditors and reviewed the annual and interim reports of the Company.

The Audit Committee members met twice during the year, and the attendance records of individual Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Andrew David ROSS *(Chairman)*	2/2
Mr. Geoffrey William FAWCETT	2/2
Mr. Charles Robert LAWSON	2/2
Mr. KO Wai Lun, Warren	2/2

Corporate Governance Report

DELEGATION BY THE BOARD

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

COMMUNICATION WITH SHAREHOLDERS

In order to provide more relevant information to our shareholders, the Company has also published on its website, the composition of the Board committees as well as their respective written terms of reference.

Specific enquiries from shareholders can be sent in writing to the Company at our head office in Hong Kong or by email or through the Company's Investor Relations Adviser.

Human Capital

The levels of hiring activity in the technology sector have shown a marked increase since early 2010, as reflected in a human resources agency's employment survey statistics, which showed that more than half of the companies interviewed have increased the headcount and salaries of their technology staff in the past six months. Demand for information technology professionals remains strong, although the outlook for the coming year is for steady improvement as opposed to a sharp increase. It is evident that looking forward, companies in Hong Kong are taking a measured approach rather than committing to rapid expansion.

As competition to attract telecommunications and sales and marketing professionals continues to be intense, the Group remains focused on motivating and up-skilling existing staff while making selective business-critical hires. In addition, achievers are rewarded in accordance with their performance.

Human Capital

In addition to maintaining proactive communications with its internal stakeholders, the Group also provides a fulfilling working environment and well structured career paths to drive its team. Staff professional development is another human resources priority to enhance the team's effectiveness in meeting the changing needs and roles of the Group in the telecommunications industry. As a result, the Group is able to enhance staff efficiency amidst its cost-saving initiatives.

Furthermore, as the world weathers the most severe financial storm in decades, it is important that staff members are given perspective and guidance for sustainable management that emphasizes discipline and accountability.

The Group wishes to thank its team members for their commitment and professional work.

Human Capital

EXECUTIVE DIRECTORS

Mr. SY Ethan, Timothy, aged 37, is the Chairman and Chief Executive Officer of the Company. He joined the Group in 1997 and is responsible for the Group's corporate strategies.

Mr. SUNG Yee Keung, Ricky, aged 45, is an Executive Director of the Company. He joined the Group in 1993 and is responsible for the Group's strategic planning. Mr. Sung has over 18 years of experience in the customer telecommunications industry and over 21 years of trading experience in the People's Republic of China.

NON-EXECUTIVE DIRECTOR

Mr. KO Wai Lun, Warren, aged 43, is a Non-executive Director of the Company since 2003. Educated in England and Canada, Mr. Ko obtained his Bachelor of Science Degree from Simon Fraser University in Canada and Bachelor of Laws Degree in England. He was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. He is qualified to practise law in both England and Wales and Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Andrew David ROSS, aged 56, is an Independent Non-executive Director of the Company since 2004. He is a partner of Baker Tilly Hong Kong Limited, Certified Public Accountants and the finance director of Windy City International Limited. Mr. Ross holds a Bachelor of Arts Degree in Accountancy and Law and is a member of both the Institute of Chartered Accountants of Scotland and the Hong Kong Institute of Certified Public Accountants. Mr. Ross has over 30 years of experience in auditing, business accounting, taxation and business valuations and has been involved in due diligence investigations, preparation of pre-listing documents and giving expert opinions on a number of auditing and accounting issues.

Mr. Geoffrey William FAWCETT, aged 53, is an Independent Non-executive Director of the Company since 2004. Graduated from John Moores University of Liverpool, England, Mr. Fawcett has over 30 years of experience in the maritime transportation industry, particularly in successfully formulating plans and strategies for Fortune 200 level maritime transportation companies, the fastest growing US State Port Authority and a variety of other large international organisations.

Mr. Charles Robert LAWSON, aged 61, is an Independent Non-executive Director of the Company since 2005. Mr. Lawson is the senior vice president of Amerex International (H.K.) Limited. He is a fellow member of both the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Lawson has extensive experience in general and financial management. He has been exposed to a number of bank negotiations and restructuring documentation. He also has extensive knowledge of most of the areas in the Far East region.

Market Overview

The Gartner research report on mobile phone shipments for the third quarter of 2010 estimates worldwide mobile phone sales to end users at 417 million units, a 35% growth year on year. Smartphone sales continued to drive the market, with category sales increasing 96% year on year to 80 million units in the third quarter; total mobile phone numbers would otherwise have recorded only 25% growth year on year.

This quarter saw Apple rise to join the top five suppliers, while Nokia, the world's largest handset maker, suffered a fall in its market share. A notable trend towards market fragmentation is observed in the Gartner report, as the miscellaneous vendor category, chiefly comprising white-box labels, accounted for 33% of the world's total mobile handset sales. This has been instrumental in part in taking the wind out of the sales of Nokia, Samsung Electronics and LG Electronics, the top three vendors, which in aggregate lost about 15% of market share. The white-box handset category is expected to grow further in the coming quarters.

Market Overview

In the third quarter, white-box manufacturers furthered their reach beyond China into other markets such as India, Russia, Africa and Latin America. This phenomenon is expected to persist, as there is still a continued need for non-3G devices. Morgan Stanley pointed out in a research report that the next wave of smartphone growth may evolve from niche to mass market production, with mid-to-low-end handsets catching up in 2011. This prediction is supported by the firm's forecast that the engines of growth will shift from developed to emerging markets, a trend which favours lower-end smartphones.

As Apple and Android continue to drive smartphone sales, operating system (OS) providers have entered a period of accelerated platform evolution. The introduction of the iPhone has taught consumers to increasingly demand usability in addition to cool hardware. As pointed out by industry analysts, software is now the star.

The race of mobile carriers and handset makers to get ahead in the mobile OS battlefield is further heating up. There are currently some 20 mobile OS, but according to Gartner only five platforms – Symbian, BlackBerry, iPhone, Windows Mobile and Android – enjoy more than a 5% market share. This competition between the 'big five' and some others, while it is a desirable trend from the consumers' perspective, has raised concerns over 'too much platform competition' in the segment.

Although major handset suppliers are counting on Google's open-based Android systems to take a greater share of the smartphone market, phone vendors are increasingly pursuing efforts to better develop their own mobile OS systems. Samsung Electronics, for example, has announced plans to launch a smartphone that uses its own Bada platform. Carrier SK Telecom has also announced its intention to develop its own mobile OS to compete with Android and iPhone.

Carriers worldwide are also braced for another race in the rollout of the 4G network. In the United States, MetroPCS released the first 4G LTE handset by Samsung Electronics in September 2010, to be followed by AT&T, Verizon, T-Mobile and a number of others on track for similar launches between the end of this year and the middle of 2011. With trials ongoing, the timing of AT&T's launch could allow for the next-generation iPhone, likely to be unveiled in mid-2011, to connect to the high-speed 4G wireless network.

In the Asia Pacific region, China is expected to account for nearly half of the region's new 4G cellular connections over the next five years. The networks in China are forecast to serve a combined 57.9 million 4G subscribers by 2015, according to a study released at the Asia Mobile Congress. Trials have been under way based on the Time Division LTE (TD-LTE) cellular technology. Upon the networks' 4G rollouts, it would be the first time this huge market will be united in one common mobile technology.

There were a total of 38.6 million 3G subscribers in China as of the end of October 2010, according to statistics released by the Ministry of Industry and Information Technology, marking an increase of 191% in the country's 3G user base year on year.

Market Overview

Mobile phones have become the primary form of telecommunication in both developed and developing countries. The International Telecommunications Union has reported tremendous evolution in mobile cellular technology, which has facilitated the connection of many previously unconnected areas. Today, nearly 90% of the world's population is covered by a mobile cellular network, enabling people in rural areas to access the global information society. This is an encouraging trend, as the overcoming of the 'digital divide' is seen as a major step towards social empowerment and the sustainable reduction of rural poverty.

Corporate Information

Executive Directors	Mr. SY Ethan, Timothy Mr. SUNG Yee Keung, Ricky
Non-executive Director	Mr. KO Wai Lun, Warren
Independent Non-executive Directors	Mr. Andrew David ROSS Mr. Geoffrey William FAWCETT Mr. Charles Robert LAWSON
Registered office	Ugland House South Church Street P.O. Box 309 George Town Grand Cayman Cayman Islands
Head office and principal place of business	3603-5 Two Landmark East 100 How Ming Street Kwun Tong Kowloon Hong Kong Tel. : 2425-8888 Fax. : 3181-9980 E-mail : info@iglobaltech.com Website : www.iglobaltech.com
Company Secretary	Ms. WONG Shuk Ching
Authorised representatives	Mr. SY Ethan, Timothy Ms. WONG Shuk Ching
Auditors	HLB Hodgson Impey Cheng Chartered Accountants Certified Public Accountants 31/F., Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong

Corporate Information

Hong Kong legal advisers	Richards Butler 20/F., Alexandra House 16-20 Chater Road Central Hong Kong
Principal banker	DBS Bank (Hong Kong) Limited 16/F., The Center 99 Queen's Road Central Central Hong Kong
Principal share registrar and transfer office	Butterfield Fulcrum Group (Cayman) Limited Butterfield House 68 Fort Street, P.O. Box 609 Grand Cayman KY1-1107 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Abacus Limited 26/F., Tesbury Centre 28 Queen's Road East Hong Kong
Singapore share transfer agent	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Listing information	The Stock Exchange of Hong Kong Limited: 143 Singapore Exchange Securities Trading Limited: G11
Investor relations adviser	t6.communications limited Room 1302 McDonald's Building 48 Yee Wo Street Causeway Bay Hong Kong Tel. : 2511-8388 Fax. : 2511-8238 E-mail : enquiry@t6pr.com

Report of the Directors

The Directors submit their report together with the audited financial statements of the Company and the Group for the year ended 30 September 2010.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in note 20 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 September 2010 by business and geographical segments is set out in note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2010 are set out in the consolidated income statement on page 37.

The Directors resolved not to make any payment of an interim dividend (2009: HK$Nil) and do not recommend the payment of a final dividend (2009: HK$Nil) for the year ended 30 September 2010.

RESERVES

Movements in the reserves of the Group and the Company during the year ended 30 September 2010 are set out in the consolidated statement of changes in equity on pages 42 and 43 and note 33 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 30 September 2010 are set out in note 18 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2010.

BANK BORROWINGS

There is no bank borrowings of the Group at 30 September 2010.

Report of the Directors

DIRECTORS

The Directors who held office during the year ended 30 September 2010 and up to the date of this report are as follows:

Mr. SY Ethan, Timothy
Mr. SUNG Yee Keung, Ricky
Mr. KO Wai Lun, Warren*
Mr. Andrew David ROSS**
Mr. Geoffrey William FAWCETT**
Mr. Charles Robert LAWSON**

* *Non-executive Director*
** *Independent Non-executive Director*

In accordance with Article 116 of the Articles of Association of the Company, Messrs. KO Wai Lun, Warren and Charles Robert LAWSON shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on page 23.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company at 30 September 2010 are set out in note 33 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 100.

DIRECTORS' SERVICE CONTRACTS

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

CONNECTED TRANSACTIONS

No transactions were entered into by the Group during the year ended 30 September 2010, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Report of the Directors

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 36 to the consolidated financial statements, no Director had material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party at any time during the year ended 30 September 2010.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no Director has been recorded as having interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2010, the following Director had the following interests in long positions in the shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong) (the "SFO"):

Name of Director	Number of ordinary shares held at 30 September 2010	Approximate percentage of shareholding	Capacity in which interests are held
Mr. SUNG Yee Keung, Ricky	72,913,303*	1.41%	Beneficial owner

* These shares include 250,000 shares which were jointly owned by Ms. SUNG Mei Ling, the sister of Mr. SUNG Yee Keung, Ricky.

Save as disclosed above, at 30 September 2010, none of the Directors, chief executive of the Company or 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) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Apart from the above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER THE SFO

At 30 September 2010, the register of substantial shareholders maintained under section 336 of the SFO shows that the following companies (not being Directors or chief executive of the Company) had long positions of 5% or more in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity	Number of shares	Approximate percentage of shareholding
Optimum Pace International Limited	Beneficial owner	2,942,608,695	56.96%

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company at 30 September 2010.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2010.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 30 September 2010 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	78.4%
– five largest suppliers combined	98.2%
Sales	
– the largest customer	71.2%
– five largest customers combined	85.6%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

Report of the Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the laws of the Cayman Islands.

PENSION SCHEME

On 1 December 2000, the Group set up a Mandatory Provident Fund Scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and are under the control of an independent trustee.

Both the Group and its employees are required to contribute 5% of the employees' monthly salaries. The mandatory contributions required to be made respectively by the Group and an employee are each capped at HK$1,000 per month. Members are entitled to 100% of the employers' mandatory contributions as soon as they are paid to the MPF Scheme but all benefits derived from the mandatory contributions must be preserved until an employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

In addition to the mandatory contributions, the Group makes voluntary contributions for certain employees during the year. In any event, total monthly contributions made by the Group to an employee is capped at 5% of the relevant employee's salaries.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITORS

Messrs. HLB Hodgson Impey Cheng will retire at the forthcoming annual general meeting of the Company and a resolution for their re-appointment as auditors of the Company will be proposed at the said meeting.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 17 December 2010

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF GLOBAL TECH (HOLDINGS) LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 99 which comprise the consolidated and company statement of financial position at 30 September 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the 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.

AUDITORS' RESPONSIBILITY

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

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

Independent Auditors' Report

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 auditors' judgement, 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 auditors consider 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 September 2010 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 prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 17 December 2010

Consolidated Income Statement

For the year ended 30 September 2010

	Notes	2010 HK$'000	2009 HK$'000
Turnover	7	32,424	30,927
Cost of sales		(20,521)	(23,708)
Gross profit		11,903	7,219
Other revenue	9	644	52,979
Other income	10	6,704	407,327
Selling and distribution expenses		(1,930)	(3,125)
Administrative expenses		(35,211)	(43,414)
Other operating expenses		(5,798)	(419,679)
(Loss) /profit from operations	11	(23,688)	1,307
Finance costs	12	–	(1,245)
Fair value gain on investment property	17	8,700	1,800
Realised gains on disposal of available-for-sale financial assets	22(c)	–	520
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	22(c)	4,158	–
(Loss) /profit before taxation		(10,830)	2,382
Taxation	13	549	(297)
(Loss) /profit for the year	14	(10,281)	2,085
Dividends	15	–	–
(Loss) /earnings for the year attributable to owners of the Company		(10,281)	2,085
(Loss) /earnings per share attributable to owners of the Company			
Basic and diluted	16	HK$(0.002)	HK$0.001

All of the Group's activities are classified as continuing operations.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2010

	2010 HK$'000	2009 HK$'000
(Loss)/profit for the year	**(10,281)**	2,085
Other comprehensive (expenses)/income		
Exchange differences on translating foreign operations	**(1,261)**	(480)
Release of exchange reserves upon deregistration of subsidiaries	**446**	–
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	**(4,158)**	–
(Loss)/gain on fair value change of available-for-sale financial assets	**(817)**	5,880
Total comprehensive (expenses)/income for the year	**(16,071)**	7,485
Total comprehensive (expenses)/income attributable to owners of the Company	**(16,071)**	7,485

Consolidated Statement of Financial Position

At 30 September 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Investment property	17	–	13,800
Property, plant and equipment	18	2,299	1,624
Intangible assets	19	–	–
Available-for-sale financial assets	22	8,051	19,352
		10,350	34,776
Current assets			
Inventories	23	3,400	1,473
Trade receivables	24	28,378	40,722
Prepayments, deposits and other receivables	25	11,354	7,300
Financial assets at fair value through profit or loss	26	–	416
Pledged time deposits	27	4,665	4,662
Cash and bank balances	28	86,618	69,439
		134,415	124,012
Current liabilities			
Trade payables	29	967	1,029
Accrued charges and other payables	30	8,502	5,843
Tax payables		53,245	52,993
		62,714	59,865
Net current assets		71,701	64,147
Total assets less current liabilities		82,051	98,923
Non-current liabilities			
Deferred tax liabilities	31	–	801
Net assets		82,051	98,122

Consolidated Statement of Financial Position

At 30 September 2010

	Notes	2010 HK$'000	2009 HK$'000
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	32	**51,659**	51,659
Reserves		**30,392**	46,463
Total equity		**82,051**	98,122

The consolidated financial statements were approved and authorised for issue by the board of directors on 17 December 2010 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

The accompanying notes form an integral part of these consolidated financial statements.

Statement of Financial Position

At 30 September 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Interests in subsidiaries	20	**24,764**	24,764
Available-for-sale financial assets	22	**5,300**	5,300
		30,064	30,064
Current assets			
Amounts due from subsidiaries	21	**8,017**	8,185
Prepayments, deposits and other receivables	25	**284**	282
Cash and bank balances	28	**4,190**	5,192
		12,491	13,659
Current liabilities			
Accrued charges and other payables	30	**3,745**	3,926
Amounts due to subsidiaries		**780**	6,679
		4,525	10,605
Net current assets		**7,966**	3,054
Net assets		**38,030**	33,118
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	32	**51,659**	51,659
Reserves	33	**(13,629)**	(18,541)
Total equity		**38,030**	33,118

The financial statements were approved and authorised for issue by the board of directors on 17 December 2010 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 September 2010

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Investment property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange difference reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
				(Note 1)	(Note 2)	(Note 3)	(Note 4)		
At 1 October 2008	51,659	457,804	2,450	160	2,521	–	2,860	(426,817)	90,637
Profit for the year	–	–	–	–	–	–	–	2,085	2,085
Other comprehensive income/ (expenses) for the year									
Exchange differences	–	–	–	–	–	–	(480)	–	(480)
Fair value change of available-for-sale financial assets	–	–	–	–	–	5,880	–	–	5,880
Total comprehensive income/ (expenses) for the year	–	–	–	–	–	5,880	(480)	2,085	7,485
At 30 September 2009	**51,659**	**457,804**	**2,450**	**160**	**2,521**	**5,880**	**2,380**	**(424,732)**	**98,122**
Loss for the year	–	–	–	–	–	–	–	(10,281)	(10,281)
Other comprehensive income/(expenses) for the year									
Exchange differences	–	–	–	–	–	–	(1,261)	–	(1,261)
Deregistration of subsidiaries	–	–	–	–	–	–	446	–	446
Disposal of available-for-sale financial assets	–	–	–	–	–	(4,158)	–	–	(4,158)
Fair value change of available-for-sale financial assets	–	–	–	–	–	(817)	–	–	(817)
Total comprehensive income/(expenses) for the year	–	–	–	–	–	(4,975)	(815)	(10,281)	(16,071)
Transfer upon disposal of investment property	–	–	–	–	(2,521)	–	–	2,521	–
At 30 September 2010	**51,659**	**457,804**	**2,450**	**160**	**–**	**905**	**1,565**	**(432,492)**	**82,051**

Consolidated Statement of Changes in Equity

For the year ended 30 September 2010

Notes:

(1) **Capital redemption reserve**

The capital redemption reserve represents the repurchase of shares of the Company on The Stock Exchange of Hong Kong Limited during the financial year ended 30 September 2000. These repurchased shares were cancelled upon repurchase and, accordingly, the nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the retained earnings and share premium account.

(2) **Investment property revaluation reserve**

Investment property revaluation reserve arises on the transfer of leasehold land and buildings to investment property and such increase in fair value at the date of reclassification is included in the property revaluation reserve, and was transferred to accumulated losses upon the retirement or disposal of the relevant property for the year ended 30 September 2010.

(3) **Investment revaluation reserve**

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income/(expense), net of amounts reclassified to profit or loss when those investments have been disposed of or are determined to be impaired.

(4) **Exchange difference reserve**

Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income/(expense) and accumulated in the exchange difference reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 4(h).

Consolidated Statement of Cash Flows

For the year ended 30 September 2010

	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(10,830)	2,382
Adjustments for:		
Depreciation	847	1,269
Amortisation of intangible assets	–	3,480
Fair value gain on investment property	(8,700)	(1,800)
Fair value gains on financial assets at fair value through profit or loss	(152)	(2,177)
Realised gain on disposal of available-for-sale financial assets	–	(520)
Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	(4,158)	–
Impairment loss recognised in respect of intangible assets	–	25,901
Impairment loss recognised in respect of property, plant and equipment	–	1,785
Impairment loss recognised in respect of available-for-sale financial assets	–	186
Impairment loss recognised in respect of trade receivables	–	30
Provision of obsolescent inventories	262	–
Write down in inventories	–	1,898
Impairment loss recognised in respect of other receivables	5,798	391,531
Reversal of impairment loss recognised in respect of trade receivables	–	(967)
Reversal of provision of obsolescent inventories	(3,359)	–
Loss on disposals of property, plant and equipment	–	86
Net gain on deconsolidation of subsidiaries in winding up	–	(400,093)
Net gains on deregistration of subsidiaries	(5,367)	–
Written off of trade receivables	–	(1,077)
Written off of accrued charges and other payables	–	(6,244)
Written off of property, plant and equipment	–	105
Dividend income from financial assets at fair value through profit or loss	–	(181)
Interest income	(67)	(680)
Interest expenses	–	1,245
Operating cash flows before movements in working capital	(25,726)	16,159
Decrease in inventories	1,170	297
Decrease in trade receivables	12,344	6,259
(Increase)/decrease in prepayments, deposits and other receivables	(4,054)	1,642
Decrease in trade payables	(62)	(6,623)
Increase/(decrease) in accrued charges and other payables	2,674	(615)
Cash (used in)/generated from operations	(13,654)	17,119
Interest expenses	–	(1,245)
Profits tax refund	–	458
Net cash (used in)/generated from operating activities	(13,654)	16,332

Consolidated Statement of Cash Flows

For the year ended 30 September 2010

	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,527)	(944)
Proceeds from disposal of investment property	22,500	–
Proceeds from disposals of property, plant and equipment	4	56
Proceeds from disposals of available-for-sale financial assets	10,484	6,550
Proceeds from disposals of financial assets at fair value through profit or loss	568	–
Net cash outflow arising from deconsolidation of subsidiaries in winding up	–	(1,037)
Interest income	67	680
Dividend income from financial assets at fair value through profit or loss	–	181
Net cash generated from investing activities	32,096	5,486
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in bank borrowings	–	(61,863)
(Increase)/decrease in pledged time deposits	(3)	101,698
Net cash (used in)/generated from financing activities	(3)	39,835
Net increase in cash and cash equivalents	18,439	61,653
Cash and cash equivalents at the beginning of the year	69,439	8,217
Effect of foreign exchange rate changes	(1,260)	(431)
Cash and cash equivalents at the end of the year	86,618	69,439
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	86,618	69,439

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 1998 as an exempted company with limited liability and its shares have a primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a secondary listing on Singapore Exchange Securities Trading Limited.

The registered office of the Company is Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands. At the date of approval of these consolidated financial statements, the principal place of business of the Company is located at 3603-5 Two Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 20 to the consolidated financial statements.

The directors of the Company (the "Directors") regard Optimum Pace International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, as modified for the revaluation of certain financial assets at fair value through profit or loss, available-for-sale financial assets and investment property which are stated at their fair values. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the application of the Group's accounting policies.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 October 2009.

HKFRSs (Amendments)	Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, and non-owner changes in equity presented as a single line. In addition, the standard introduced the statement of comprehensive income, it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Details of application of HKFRS 8 are set out in note 8.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 7 Financial Instruments: Disclosures (Amendments)

HKFRS 7 (Amendments) require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. The Group has taken advantage of the transition provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

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

The adoption of HKFRS 3 (Revised) may affect any business combination acquired on or after 1 July 2009 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008).

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. As from 1 July 2009 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

As there was no transaction during the current year 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 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 the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[1]
HKFRS 1 (Amendment)	Limitation Exemption from Comparative HKFRS 7 Disclosure for First-time Adoptors[4]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[1]
HKFRS 7 (Amendment)	Disclosures – Transfer of Financial Assets[6]
HKFRS 9	Financial Instruments[7]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

1 Amendments that are effective for annual periods beginning on or after 1 January 2010.

2 Effective for annual periods beginning on or after 1 February 2010.

3 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

4 Effective for annual periods beginning on or after 1 July 2010.

5 Effective for annual periods beginning on or after 1 January 2011.

6 Effective for annual periods beginning on or after 1 July 2011.

7 Effective for annual periods beginning on or after 1 January 2013.

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 30 September each year.

Subsidiaries

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

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

Business combination prior to 1 October 2009

Acquisitions of business prior to 1 October 2009 were accounted for using the purchase method. The cost of the acquisition was 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 cost directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was 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 assessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the business combination, the excess was recognised immediately in profit and loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

Business combination on or after 1 October 2009

Acquisitions of business on or after 1 October 2009 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit and loss as incurred.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet condition for recognition under HKFRS 3 (Revised) are recognised at their fair values, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2 Share-based payment; and

- 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 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Interests in subsidiaries

Interests in subsidiaries are stated at cost less any allowance for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"), who is responsible for allocating resources and assessing performance of the operating segments.

Unallocated costs represent corporate expenses. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment assets consist primarily of property, plant and equipment, investment property, inventories, receivables, other assets, operating cash and exclude mainly available-for-sale financial assets. Segment liabilities comprise operating liabilities and exclude items such as deferred tax and certain corporate provisions.

Geographical information is not presented as the majority of the Group's revenue is attributable to customers in Hong Kong and the majority of assets are located in Hong Kong.

(d) 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:–

i. Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed;

ii. Service income is recognised when services are rendered;

iii. Sale of financial assets are recognised on a trade date basis;

iv. Interest income is recognised, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and

v. Dividend income from investments is recognised when the Group's right to receive payment is established.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Depreciation is provided to write off the cost of property, plant and equipment, using the straight-line method, over their estimated useful lives. The principal annual rates are as follows:

Computers and equipment	20-30%
Furniture and fixtures	20%
Leasehold improvements	20-100%
Motor vehicles	30%

The gain or loss arising from disposal 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.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment property

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

Investment property is carried at fair value. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Changes in fair values are recognised in the consolidated income statement.

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

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

(g) Leases

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as an obligation under finance lease. Finance charges are charged directly to the consolidated income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

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

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the revaluation reserve in equity.

iii. Group companies

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

– assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;

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

– all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is deregistered, such exchange differences are recognised in the consolidated income statement as part of the gain or loss when deregistered.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits

i. Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

ii. Retirement benefit obligations

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee. All contributions to the MPF Scheme are charged to the consolidated income statement as incurred and reduced by contributions forfeited by those employees who leave the MPF Scheme prior to vesting fully in contributions.

The Group also undertakes mandatory pension schemes covering retirement benefits for its Taiwan employees as required by relevant legislations and regulations in Taiwan.

iii. Share-based compensation

The fair value of the employee services received in exchange for the grant of the share options and restricted share awards is recognised as an expense in the consolidated income statement.

The total amount to be expensed over the vesting period is determined with reference to the fair value of the share options and restricted share awards granted. At the end of each reporting period, the Company revises its estimates of the number of share options that are expected to become exercisable and the number of restricted share awards that become vested. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity in the consolidated statement of financial position will be made over the remaining vesting periods.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium accounts when the share options are exercised and when the restricted share awards are vested.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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 is the profit for the year, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position 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 difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than 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 investment in subsidiaries and associates, 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 the end of each reporting period 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 tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and any identified impairment losses (see note 4(o)). Amortisation for intangible assets with finite useful lives are charged to the consolidated income statement on a straight-line basis over their estimated useful lives.

The Group's intangible assets with finite useful life are amortised from the date they are available for use and the estimated useful life is as follows:

Customer list	10 years
Handset market data bank	3 years

Both the useful lives and the methods of amortisation are reviewed annually.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents the invoiced cost of inventories. In general, costs are assigned to individual items on a weighted average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

(m) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position 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 the consolidated income statement.

i. Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading purpose and derivative financial instruments that are not designated as effective hedging instruments. At the end of each reporting period 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 the consolidated income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (continued)

i. Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of available-for-sale monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (continued)

ii. Financial liabilities and equities

Financial liabilities and equity instruments issued by a group entity 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 Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade payables, accrued charges and other payables, are subsequently measured at amortised cost, using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. A financial guarantee contract issued by the Group and not designated as financial assets at fair value through profit or loss is recognised initially at its fair value less transaction costs which are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

iii. Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred or 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 the consolidated income statement.

For financial liabilities, they are removed from the Group's consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Impairment of assets

Internal and external sources of information are reviewed at the end of each reporting period to determine whether there is any indication of impairment of assets, or whether there is any indication that an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the consolidated income statement in the year in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant policy for that revalued asset.

i. Calculation of recoverable amount

The recoverable amount of an asset is the higher of its net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of any asset and from its disposal at the end of its useful life. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of asset that generates cash inflows independently (i.e. a cash-generating unit).

ii. Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates the reversal effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated income statement in the year in which the reversals are recognised.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Cash and cash equivalents

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

(q) Provision

A provision is recognised when the Group has a present legal or constructive obligation, as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value money is material, the amount of a provision is the present value at the end of the reporting period of the expenditures expected to be required to settle the obligation.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(s) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Related parties transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control or common significant influences.

A transaction is considered to be a related party transaction where there is a transfer of resources or obligations between related parties.

5. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, trade receivables, deposits and other receivables, financial assets at fair value through profit or loss, pledged time deposits, cash and bank balances, trade payables, accrued charges and other payables. Details of 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.

Categories of financial instruments

	2010	2009
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and bank balances)	**130,022**	122,123
Financial assets at fair value through profit or loss	**–**	416
Available-for-sale financial assets	**8,051**	19,352
Financial liabilities		
Amortised costs	**9,469**	6,872

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk, which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

(a) **Market risk**

i. ***Foreign exchange risk***

The Group operates mainly in Hong Kong, principally with respect to Hong Kong Dollars. Hong Kong Dollars are pegged to the United States Dollars and the foreign exchange sale exposure between them are considered limited.

ii. ***Price risk***

The Group's equity investments classified as available-for-sale financial assets and financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period and exposed the Group to price risk.

The Group's equity price risk is mainly concentrated on listed equity securities which quoted in the Stock Exchange. The management will monitor the price movements and take appropriate actions when it is required.

Sensitivity analysis on price risks management

The sensitivity analyses below have been determined based on the exposure to price risks on listed equity securities at the reporting date.

If the prices of the respective equity instruments have been 5% higher/lower, loss before taxation for the Group would be decreased/increased by approximately HK$Nil (2009: profit before taxation increased/decreased by approximately HK$21,000) as a result of the changes of fair value of financial assets at fair value through profit or loss.

Investment revaluation reserve for the Group would be increased/decreased by approximately HK$105,000 (2009: HK$670,000) as a result of the changes of available-for-sale financial assets.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(b) Credit risk

The carrying amounts of trade and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets. No other financial assets carry a significant exposure to credit risk.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regards, the Directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical location is mainly in Hong Kong. The Group also has concentration of credit risk by customers as approximately 91% (2009: 94%) and 99% (2009:100%) of total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers. The impairment loss in trade receivables is based upon a review of the expected collectability of all trade receivables.

(c) Liquidity risk

The Group manages its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and long term. In addition, the management of the Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except when the Group are entitled and intends to repay the liability before its maturity.

At 30 September 2010

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	967	–	–	967	967
Accrued charges and other payables	–	8,502	–	–	8,502	8,502
		9,469	–	–	9,469	9,469

At 30 September 2009

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	1,029	–	–	1,029	1,029
Accrued charges and other payables	–	5,843	–	–	5,843	5,843
		6,872	–	–	6,872	6,872

(d) Cash flow and fair value interest rate risk

The Group considers that there is no significant cash flow interest rate risk and fair value interest rate risk as the Group does not have variable rate and fixed rate borrowings. The Group did not enter into interest rate swap to hedge against its exposure to change in fair value of the borrowings.

The Group's exposure to market risk for changes in interest rates relates primarily to the cash and bank balances. Floating rate interest income is charged to the consolidated income statement as incurred.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation

Effective from 1 October 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the consolidated statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at 30 September 2010.

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 30 September 2010				
Available-for-sale financial assets	**2,101**	**–**	**–**	**2,101**

There have been no significant transfers between level 1, 2 and 3 in the reporting period.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a continuous basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, issuance of new share and borrowings.

The Group monitors its capital on the basis of the gearing ratio of bank borrowings over total assets. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios at the end of the reporting periods are as follows:

	2010 **HK$'000**	2009 HK$'000
Bank borrowings	**–**	–
Total assets	**144,765**	158,788
Gearing ratios	**N/A**	N/A

Note: Total assets include all non-current assets and current assets of the Group.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of trade and other receivables

The impairment of trade and other receivables are based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. From time to time, the Group may experience delays in collection. Where recoverability of trade and other debtor balances are called into doubts, resulting in an impairment of their ability to make payments, provision may be required. Certain receivables may be initially identified as collectable, yet subsequently become uncollectable and result in a subsequent write-off of the related receivable to the consolidated income statement. Changes in the collectability of trade and other receivables for which provisions are not made could affect our results of operations.

(b) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which requires the use of assumptions and estimates.

(c) Estimate of fair value of investment property

Investment property is stated at fair value based on the market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction or the valuation performed by an independent valuer. In determining the fair value, the valuer has based on method of valuation which involves certain estimates and assumptions. In relying on the valuation report, the management has exercised their judgements and is satisfied that the method of valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment property will be adjusted accordingly.

(d) Allowance for obsolete and slow-moving inventories

Inventories are stated at the lower of cost and net realisable value. Assessment of net realisable value is based primarily on the latest invoice prices and current market conditions. The Group also carries out review of inventories on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

7. TURNOVER

The principal activities of the Group are (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

An analysis of turnover is as follows:

	2010 HK$'000	2009 HK$'000
Sales of goods	**6,052**	8,163
Provision of repair services	**26,220**	20,587
Fair value gain on financial assets at fair value through profit or loss, net*	**152**	2,177
	32,424	30,927

* For the year ended 30 September 2010, fair value gain on financial assets at fair value through profit or loss represents the sale of financial assets at fair value through profit or loss of approximately HK$568,000 less the cost of sales of the financial assets at fair value through profit or loss of approximately HK$416,000.

For the year ended 30 September 2009, fair value gain on financial assets at fair value through profit or loss of approximately HK$2,177,000 represented increase in fair value on financial assets at fair value through profit or loss. The financial assets at fair value through profit or loss of approximately, HK$7,522,000 were reclassified to available-for-sale financial assets.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

8. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 October 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the CODM, which is a group of executive directors of the Company, for the purpose of allocating resources to segments and assessing 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. In the past, the Group's primary reporting format was business segment.

For management purpose, the Group is principally engaged in (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Information regarding the Group's reportable segments for the years ended 30 September 2010 and 2009 is presented as follows:

(a) Segment turnover and results

	Trading of telecommunications products 2010 HK$'000	Provision of repair services of telecommunications products 2010 HK$'000	Investments in financial assets 2010 HK$'000	Consolidated 2010 HK$'000
Turnover	6,052	26,220	152	32,424
Segment results	(5,564)	(2,162)	4,310	(3,416)
Unallocated income				9,432
Unallocated expenses				(16,846)
Loss before taxation				(10,830)
Taxation				549
Loss for the year				(10,281)

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

8. SEGMENT INFORMATION (CONTINUED)

(a) Segment turnover and results (continued)

	Trading of telecommunications products 2009 HK$'000	Provision of repair services of telecommunications products 2009 HK$'000	Investments in financial assets 2009 HK$'000	Consolidated 2009 HK$'000
Turnover	8,163	20,587	2,177	30,927
Segment results	(5,493)	844	2,177	(2,472)
Unallocated income				462,626
Unallocated expenses				(456,527)
Finance costs				(1,245)
Profit before taxation				2,382
Taxation				(297)
Profit for the year				2,085

Turnover reported above represented turnover generated from external customers. There were no inter-segment sales for the year ended 30 September 2010 (2009: Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries, finance costs and income tax credit/(expense). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

8. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

	Trading of telecommunications products 2010 HK$'000	Provision of repair services of telecommunications products 2010 HK$'000	Investments in financial assets 2010 HK$'000	Consolidated 2010 HK$'000
Segment assets	67,324	6,307	16,209	89,840
Available-for-sale financial assets				8,051
Unallocated corporate assets				46,874
Consolidated total assets				144,765
Segment liabilities	(3,428)	(1,849)	–	(5,277)
Unallocated corporate liabilities				(57,437)
Consolidated total liabilities				(62,714)

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

8. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (continued)

	Trading of telecommunications products 2009 HK$'000	Provision of repair services of telecommunications products 2009 HK$'000	Investments in financial assets 2009 HK$'000	Consolidated 2009 HK$'000
Segment assets	116,298	6,258	416	122,972
Available-for-sale financial assets				19,352
Unallocated corporate assets				16,464
Consolidated total assets				158,788
Segment liabilities	1,216	1,527	138	2,881
Unallocated corporate liabilities				57,785
Consolidated total liabilities				60,666

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

i. All assets are allocated to reportable segments other than available-for-sale financial assets, certain pledged time deposits and cash and bank balances; and

ii. All liabilities are allocated to reportable segments other than current tax liabilities and deferred tax liabilities .

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

8. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

	Trading of telecommunications products 2010 HK$'000	Provision of repair services of telecommunications products 2010 HK$'000	Investments in financial assets 2010 HK$'000	Unallocated 2010 HK$'000	Consolidated 2010 HK$'000
Capital expenditure	9	940	32	546	1,527
Depreciation and amortisation	5	568	–	274	847
Impairment loss recognised in respect of other receivables	–	–	–	5,798	5,798

	Trading of telecommunications products 2009 HK$'000	Provision of repair services of telecommunications products 2009 HK$'000	Investments in financial assets 2009 HK$'000	Unallocated 2009 HK$'000	Consolidated 2009 HK$'000
Capital expenditure	411	533	–	–	944
Depreciation and amortisation	4,278	471	–	–	4,749
Impairment loss recognised in respect of intangible assets	–	–	–	25,901	25,901
Impairment loss recognised in respect of available-for-sale financial assets	–	–	–	186	186
Impairment loss recognised in respect of trade receivables	–	–	–	30	30
Impairment loss recognised in respect of other receivables	–	–	–	391,531	391,531

(d) Geographical segments

During the years ended 30 September 2010 and 2009, more than 99% of the Group's turnover, total assets and capital expenditure were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

(e) Information about major customers

During the year, the turnover from the Group's largest customer amounted to 71% of the Group's total turnover (2009: 60%).

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

9. OTHER REVENUE

	2010 **HK$'000**	2009 HK$'000
Interest income	**67**	680
Dividend income	**–**	181
Compensation income	**–**	51,566
Bad debt recovered	**–**	524
Sundry income	**577**	28
	644	52,979

10. OTHER INCOME

	2010 **HK$'000**	2009 HK$'000
Exchange gains	**1,337**	–
Gains on deconsolidation of subsidiaries in winding up (note 38)	**–**	400,093
Gains on deregistration of subsidiaries (note 39)	**5,367**	–
Written-off of accrued charges and other payables	**–**	6,244
Reversal of impairment loss recognised in respect of trade receivables	**–**	967
Sundry income	**–**	23
	6,704	407,327

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

11. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations has been arrived at after charging/(crediting):

	2010 **HK$'000**	2009 HK$'000
Cost of trading inventories sold	**4,544**	7,309
Employee benefit expenses (note 34)	**16,423**	15,892
Retirement benefit costs (note 34)	**633**	541
Depreciation	**847**	1,269
Amortisation of intangible assets	**–**	3,480
Auditors' remuneration	**1,224**	1,370
Loss on disposals of property, plant and equipment*	**–**	86
Exchange (gain)/loss*	**(1,337)**	87
Impairment loss recognised in respect of intangible assets*	**–**	25,901
Impairment loss recognised in respect of available-for-sale financial assets*	**–**	186
Impairment loss recognised in respect of trade receivables*	**–**	30
Impairment loss recognised in respect of other receivables*	**5,798**	391,531
Write down in inventories	**–**	1,898
Impairment loss recognised in respect of property, plant and equipment*	**–**	1,785
Reversal of impairment loss recognised in respect of trade receivables	**–**	(967)
Operating lease rental in respect of rental premises	**3,104**	6,395

* Items included in other operating expenses.

12. FINANCE COSTS

	2010 **HK$'000**	2009 HK$'000
Interest expenses on secured bank borrowings wholly repayable within five years	**–**	1,245

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

13. TAXATION

	2010	2009
	HK$'000	HK$'000
Current tax:		
Hong Kong profits tax:		
Current year	**(252)**	–
Overseas taxation:		
Current year	**–**	–
	(252)	–
Deferred tax:		
Credit/(charge) for the year (note 31)	**801**	(297)
Taxation attributable to the Group	**549**	(297)

Note: Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge/(credit) for the years are reconciled to the (loss)/profit before taxation per the consolidated income statement as follows:

	2010		2009	
	HK$'000	**%**	HK$'000	%
(Loss) /profit before taxation	**(10,830)**		2,382	
Tax at statutory tax rate	**(1,787)**	**(16.5)**	393	16.5
Tax effect of expenses that are not deductible in determining taxable profit	**843**	**7.8**	70,932	2,977.8
Tax effect of income that is not taxable in determining taxable profit	**(2,569)**	**(23.8)**	(66,343)	(2,785.2)
Utilisation of tax losses previously not recognised	**(8)**	**–**	(7,343)	(308.2)
Unrecognised tax losses	**3,773**	**34.9**	2,361	99.1
Unrecognised deductible temporary difference	**(801)**	**(7.4)**	297	12.5
Tax (credit)/charge and effective tax rate for the year	**(549)**	**(5.0)**	297	12.5

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

14. (LOSS)/PROFIT FOR THE YEAR

The Group's consolidated loss attributable to owners of the Company is approximately HK$10,281,000 (2009: profit of HK$2,085,000) of which net profit of approximately HK$4,912,000 (2009: loss of HK$60,168,000) is dealt with the financial statements of the Company.

15. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2010 (2009: HK$Nil).

16. (LOSS)/EARNINGS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$10,281,000 (2009: profit of HK$2,085,000) and on 5,165,973,933 (2009: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the year ended 30 September 2010 was the same as basic loss per share as there was no potential outstanding shares for the year.

No diluted loss per share for the year ended 30 September 2009 has been presented as the exercise price of the share options outstanding during the year was higher than the average market price of the Company's shares for the year 2009. No share option was outstanding at 30 September 2009.

17. INVESTMENT PROPERTY

	Group	
	2010	2009
	HK$'000	HK$'000
Fair value:		
At the beginning of the year	**13,800**	12,000
Increase in fair value recognised in the consolidated income statement	**8,700**	1,800
Disposal	**(22,500)**	–
At the end of the year	–	13,800

The Group's investment property is located in Hong Kong and held under medium term lease.

During the year, the Group entered into a sale and purchase agreement with an independent third party to dispose of the investment property at a total consideration of HK$22,500,000, which was considered to be the fair value of the investment property by the time of disposal.

The fair value of the Group's investment property at 30 September 2009 are stated at fair value which has been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Ltd ("AAL"), a firm of independent qualified professional valuers with no connection to the Group. AAL is a member of Hong Kong Institute of Surveyors ("HKIS") and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to HKIS Valuation Standards on properties, was arrived by reference to market evidence of recent transaction prices for similar properties.

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For the year ended 30 September 2010

18. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computers and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:					
At 1 October 2008	3,120	1,524	5,362	1,550	11,556
Exchange difference	(1)	–	(3)	–	(4)
Additions	–	35	844	65	944
Disposals	(262)	(117)	(62)	(243)	(684)
Written off	(14)	(40)	(437)	–	(491)
Deconsolidation of subsidiaries	–	–	–	(1,372)	(1,372)
At 30 September 2009 and 1 October 2009	2,843	1,402	5,704	–	9,949
Exchange difference	4	–	(37)	–	(33)
Additions	813	117	597	–	1,527
Disposals	(115)	–	(45)	–	(160)
Written off	(354)	(1,020)	–	–	(1,374)
At 30 September 2010	**3,191**	**499**	**6,219**	**–**	**9,909**
Accumulated depreciation and impairment losses:					
At 1 October 2008	1,012	1,332	3,679	1,550	7,573
Exchange difference	–	–	(2)	–	(2)
Charge for the year	566	40	660	3	1,269
Written back on disposals	(247)	(64)	(50)	(181)	(542)
Impairment losses recognised	985	40	760	–	1,785
Reversal on written off	–	–	(386)	–	(386)
Elimination on deconsolidation of subsidiaries	–	–	–	(1,372)	(1,372)
At 30 September 2009 and 1 October 2009	2,316	1,348	4,661	–	8,325
Exchange difference	5	–	(37)	–	(32)
Charge for the year	430	17	400	–	847
Written back on disposals	(115)	–	(41)	–	(156)
Reversal on written off	(354)	(1,020)	–	–	(1,374)
At 30 September 2010	**2,282**	**345**	**4,983**	**–**	**7,610**
Carrying amount:					
At 30 September 2010	**909**	**154**	**1,236**	**–**	**2,299**
At 30 September 2009	527	54	1,043	–	1,624

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

19. INTANGIBLE ASSETS

Group

	Customer list HK$'000	Handset market data bank HK$'000	Total HK$'000
Cost:			
At 1 October 2008	25,000	13,380	38,380
Addition	–	–	–
At 30 September 2009 and 1 October 2009	25,000	13,380	38,380
Written off	(25,000)	(13,380)	(38,380)
At 30 September 2010	–	–	–
Accumulated amortisation and impairment losses:			
At 1 October 2008	4,167	4,832	8,999
Amortisation for the year	1,250	2,230	3,480
Impairment loss for the year	19,583	6,318	25,901
At 30 September 2009 and 1 October 2009	25,000	13,380	38,380
Reversal on written off	(25,000)	(13,380)	(38,380)
Carrying amount:			
At 30 September 2010	–	–	–
At 30 September 2009	–	–	–

During the year ended 30 September 2009, the Group performed impairment tests on those intangible assets with reference to the valuation carried out by B.I. Appraisals Limited, a firm of independent qualified valuers, for the purpose of assessing the recoverable amounts. Such valuation has been carried out using appropriate technical models.

The recoverable amount of the customer list has been determined based on the financial projections and the expected life of the customer list anticipated by the management. The discount rate applied to cash flow projections of the relevant customer list is 12%. The projected cash flows are based on the view of the management of the most likely operating and economic conditions and the status of the customer list.

The recoverable amount of the handset market data bank have been estimated based on observable market prices of similar handset market data bank.

The Directors reviewed the carrying amount of the customer list and the handset market data bank with reference to current market situation and the fair values determined by B.I. Appraisal Limited, an independent professional qualified valuer, and considered an impairment loss of approximately HK$19,583,000 and HK$6,318,000 were recognised in the consolidated income statement for the customer list and the handset market data bank respectively for the year ended 30 September 2009.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

20. INTERESTS IN SUBSIDIARIES

	Company 2010 HK$'000	Company 2009 HK$'000
Unlisted shares, at cost	**191,093**	191,093
Impairment loss recognised	**(166,329)**	(166,329)
	24,764	24,764

Details of the Company's principal subsidiaries at 30 September 2010 and 2009 are as follows:

Subsidiaries	Place of incorporation/ operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company 2010 %	Percentage of equity attributable to the Company 2009 %	Principal activities
Indirectly held					
Ample Vision Holdings Limited	British Virgin Islands/ Hong Kong	US$1 Ordinary	**100**	100	General trading
Camdenville Group Limited	British Virgin Islands/ Hong Kong	US$1 Ordinary	**100**	100	Trading of telecommunications products
Linktech Hong Kong Limited	Hong Kong	HK$2 Ordinary	**100**	100	Provision of repair services of telecommunications products
Techglory Hong Kong Limited	Hong Kong	HK$1 Ordinary	**100**	100	General trading

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

The carrying amounts of the interests in subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

21. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2010	2009
	HK$'000	HK$'000
Amounts due from subsidiaries	**8,017**	8,185

The amounts due from subsidiaries grouped under current assets are unsecured, interest-free and recoverable on demand.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**19,352**	12,301	**5,300**	10,500
Additions	**–**	7,522	**–**	–
Disposal	**(10,484)**	(6,030)	**–**	(5,200)
Fair value change	**(817)**	5,880	**–**	–
Impairment loss recognised	**–**	(186)	**–**	–
Deconsolidation of subsidiaries	**–**	(135)	**–**	–
At the end of the year	**8,051**	19,352	**5,300**	5,300
Available-for-sale financial assets at 30 September, comprise of				
Unlisted debt securities:				
Club debentures (note (a))	**5,950**	5,950	**5,300**	5,300
Listed securities:				
Equity securities listed in Hong Kong (note (b))	**2,101**	13,402	**–**	–
	8,051	19,352	**5,300**	5,300

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Notes:

(a) The club debentures are stated at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that the fair values cannot be measured reliably.

During the year under review, the Directors reassessed the recoverable amounts of club debentures with reference to the valuation performed by AAL. The recoverable amounts of club debentures was assessed by reference to market evidence of transaction prices for similar club debentures and determined that the carrying amounts of the club debentures are higher than their recoverable amounts and no impairment loss (2009: approximately HK$186,000) was recognised in the consolidated income statement.

(b) All of equity securities are held for long term investment purpose and stated at fair values. Fair values of the listed investments are determined by reference to the quoted market bid prices available on the Stock Exchange.

(c) For the year ended 30 September 2010, a cumulative gains of approximately HK$4,158,000 was reclassified from equity to profit or loss upon disposal of certain listed equity securities under the Group's available-for-sale financial assets.

For the year ended 30 September 2009, a realised gain of approximately HK$520,000 was recognised in the consolidated income statement upon disposal of certain club debentures under the Group's available-for-sale financial assets.

(d) For the year ended 30 September 2009, the Group has determined that certain quoted investments are no longer held for the purpose of trading. Hence, financial assets at fair value through profit or loss with fair value of approximately HK$7,522,000 were reclassified to available-for-sale financial assets at the date of reclassification (the "Reclassification").

Before the Reclassification during the year ended 30 September 2009, fair value gains on the financial assets at fair value through profit or loss of approximately HK$1,901,000 were recognised in the consolidated income statement. Following the Reclassification, fair value gains on the reclassified available-for-sale financial assets of approximately HK$5,880,000 were recognised in investment revaluation reserve in equity accordingly.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

23. INVENTORIES

	Group	
	2010	2009
	HK$'000	HK$'000
Finished goods	**4,271**	5,441
Less: Allowance for obsolete and slow-moving inventories	**(871)**	(3,968)
	3,400	1,473

At 30 September 2010, no inventories (2009: approximately HK$23,000) are carried at net realisable value.

24. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Current	**2,038**	2,178
One to three months overdue	**381**	90
More than three months, but less than twelve months overdue	**17**	41
Over twelve months overdue	**145,837**	158,308
	148,273	160,617
Less: Impairment loss recognised	**(119,895)**	(119,895)
	28,378	40,722

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

24. TRADE RECEIVABLES (CONTINUED)

Notes:

(a) The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

(b) Included in the trade receivable balances are debtors with an aggregate carrying amount of approximately HK$26,340,000 (2009: HK$38,544,000) which are overdue at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable, as there is an agreed repayment plan. The Group does not hold any collateral over these balances.

The aging of trade receivables which are overdue but not impaired is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
One to three months overdue	**381**	90
More than three months, but less than twelve months overdue	**17**	11
Over twelve months overdue	**25,942**	38,443
	26,340	38,544

(c) The movement of the allowance for impairment loss of trade receivables is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
At the beginning of the year	**119,895**	121,909
Impairment loss recognised	**–**	30
Written off	**–**	(1,077)
Reversal of impairment loss recognised	**–**	(967)
At the end of the year	**119,895**	119,895

(d) The aging analysis of the Group's trade receivables which are impaired is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
One to three months overdue	**–**	–
More than three months, but less than twelve months overdue	**–**	30
Over twelve months overdue	**119,895**	119,865
At the end of the year	**119,895**	119,895

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**993**	584	**284**	282
Deposits	**8,137**	4,664	**–**	–
Other receivables	**8,022**	393,583	**–**	256,338
	17,152	398,831	**284**	256,620
Less:				
Impairment loss recognised	**(5,798)**	(391,531)	**–**	(256,338)
	11,354	7,300	**284**	282

At 30 September 2010, included in other receivables of the Group was an amount of approximately HK$5,798,000 due from the deregistered subsidiaries of the Group. The amounts due from the deregistered subsidiaries were considered to be fully impaired as these subsidiaries were deregistered during the year ended 30 September 2010.

At 30 September 2009, included in other receivables of the Group was an amount of approximately HK$391,531,000 due from the deconsolidated subsidiaries of the Group. The amounts due from the deconsolidated subsidiaries were considered to be fully impaired as these subsidiaries were put into liquidation during the year ended 30 September 2009.

Note:

(a) The movement of the allowance for impairment loss of other receivables is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
At the beginning of the year	**391,531**	–
Impairment loss recognised	**5,798**	391,531
Written off	**(391,531)**	–
At the end of the year	**5,798**	391,531

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2010	2009
	HK$'000	HK$'000
Listed investments:		
– Equity securities listed in Hong Kong	**–**	416

All financial assets at fair value through profit or loss are stated at fair values. Fair values of the listed investments are determined with reference to the quoted market bid prices available on the Stock Exchange.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

27. PLEDGED TIME DEPOSITS

Group

The balances, which were carried at the prevailing market interest rate, represent deposits pledged to a bank to secure banking facilities granted to the Group, and therefore classified as current assets. The pledged deposits will be released upon expiry on termination or upon the settlement of relevant banking facilities. At 30 September 2010, all the pledged time deposits were denominated in the United States Dollar.

28. CASH AND BANK BALANCES

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**76,600**	64,439	**4,190**	5,192
Short-term time deposits	**10,018**	5,000	**–**	–
Cash and bank balances	**86,618**	69,439	**4,190**	5,192

Notes:

(a) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for period from one day to one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposits rates.

(b) The Group's and the Company's bank balances and time deposit that are denominated in the following currencies:

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong Dollars	**86,264**	67,987	**4,190**	5,192
United States Dollars	**21**	–	**–**	–
New Taiwan Dollars	**327**	1,452	**–**	–
Others	**6**	–	**–**	–

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

29. TRADE PAYABLES

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Current and within one month	**893**	1,002
One to three months overdue	**–**	20
Overdue over three months	**74**	7
	967	1,029

30. ACCRUED CHARGES AND OTHER PAYABLES

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued charges	**3,623**	1,777	**345**	604
Other payables	**4,879**	4,066	**3,400**	3,322
	8,502	5,843	**3,745**	3,926

Included in other payables of the Group and the Company was an amount of approximately HK$487,000 (2009: HK$487,000) due to a Director. The amount was unsecured, interest-free and has no fixed terms of repayment.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

31. DEFERRED TAX LIABILITIES

Group

The movement of recognised deferred tax liabilities during the years is as follows:

	Revaluation of property 2010 HK$'000	2009 HK$'000
At the beginning of the year	**801**	504
(Credit)/debit to consolidated income statement (note 13)	**(801)**	297
At the end of the year	–	801

At 30 September 2010, the Group had cumulative tax losses of approximately HK$26,679,000 (2009: HK$29,652,000) is available for offsetting against future profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of approximately HK$26,679,000 (2009: HK$29,652,000) due to uncertainty of future profit streams.

Company

At 30 September 2010, the Company has estimated unused tax losses of approximately HK$22,474,000 (2009: HK$21,039,000) available for offsetting against future profits. Losses may be carried forward indefinitely. No deferred tax assets have been recognised due to uncertainty of future profits streams.

32. SHARE CAPITAL

	Group and Company 2010 and 2009 Number of shares	HK$'000
Ordinary shares of HK$0.01 each		
Authorised	20,000,000,000	200,000
Issued and fully paid	5,165,973,933	51,659

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

33. RESERVES

Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Exchange difference reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2008	648,897	160	(625)	(607,430)	41,002
Exchange difference	–	–	125	–	125
Release of translation reserve upon deregistration of an overseas office	–	–	500	–	500
Loss for the year	–	–	–	(60,168)	(60,168)
At 30 September 2009 and 1 October 2009	648,897	160	–	(667,598)	(18,541)
Profit for the year	–	–	–	4,912	4,912
At 30 September 2010	**648,897**	**160**	**–**	**(662,686)**	**(13,629)**

At 30 September 2010, the Company has no distributable reserve, (2009:HK$ Nil), represented by share premium less accumulated losses of the Company. Under the Companies law (2001 Second Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

34. EMPLOYEE BENEFIT EXPENSES

(a) **Staff cost**

The total staff cost of the Group during the year is as follow:

	Group 2010 HK$'000	2009 HK$'000
Salaries and allowances	**16,076**	15,561
Discretionary bonuses	**61**	59
Staff welfare	**286**	272
Contributions to retirement fund	**633**	541
	17,056	16,433

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

34. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

	Year ended 30 September 2010			
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Total HK$'000
Executive Directors				
Mr. SY Ethan, Timothy	–	–	–	–
Mr. SUNG Yee Keung, Ricky	–	360	20	380
Non-executive Director				
Mr. KO Wai Lun, Warren	300	–	–	300
Independent non-executive Directors				
Mr. Andrew David ROSS	420	–	–	420
Mr. Geoffrey William FAWCETT	300	–	–	300
Mr. Charles Robert LAWSON	300	–	–	300
	1,320	360	20	1,700

	Year ended 30 September 2009			
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Total HK$'000
Executive Directors				
Mr. SY Ethan, Timothy	–	–	–	–
Mr. SUNG Yee Keung, Ricky	–	360	16	376
Non-executive Director				
Mr. KO Wai Lun, Warren	300	–	–	300
Independent non-executive Directors				
Mr. Andrew David ROSS	420	–	–	420
Mr. Geoffrey William FAWCETT	300	–	–	300
Mr. Charles Robert LAWSON	300	–	–	300
	1,320	360	16	1,696

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

34. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (continued)

Certain Directors have waived emoluments for the year ended 30 September 2010 and 2009 up to the dates of reports:

	Year ended 30 September 2010			From 1 October 2010 to the date of the report		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and bonuses HK$'000	Contributions to retirement fund HK$'000
Executive Directors						
Mr. SY Ethan, Timothy	–	18,000	900	–	3,823	191
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	25	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	38	–	–
Mr. Geoffrey William FAWCETT	120	–	–	25	–	–
Mr. Charles Robert LAWSON	120	–	–	25	–	–

	Year ended 30 September 2009			From 1 October 2009 to 11 January 2010		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and bonuses HK$'000	Contributions to retirement fund HK$'000
Executive Directors						
Mr. SY Ethan, Timothy	–	18,000	900	–	5,032	252
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	34	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	50	–	–
Mr. Geoffrey William FAWCETT	120	–	–	34	–	–
Mr. Charles Robert LAWSON	120	–	–	34	–	–

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

34. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (continued)

No amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Directors for entering into new service contracts with the Group for the year ended 30 September 2010 (2009: HK$ Nil).

All of the outstanding share options granted to a Director has expired during the year ended 30 September 2009 and none of the Directors had exercised their share options to subscribe ordinary shares of the Company.

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2010 (2009: HK$ Nil).

(c) Five highest paid individuals

No Director is included in the five highest paid individuals in the Group for the year ended 30 September 2010 and 2009. Details of the Directors' emoluments are set out in note 34(b). The aggregate of the emoluments payable in respect of the five (2009: five) individuals during the year are as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Basic salaries and allowances	**2,627**	3,117
Contributions to retirement fund	**131**	141
	2,758	3,258

	Number of individual	
	2010	2009
Emolument bands:		
Nil to HK$1,000,000	**5**	5

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

35. SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”) on 27 March 2003 pursuant to which employees and directors of the Group and other eligible persons who have made contribution to the Group were given opportunity to obtain equity holdings in the Company.

A summary of the Scheme is set out as follows:

(a) **Purpose of the Scheme**

The purpose of the Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group.

(b) **Participants of the Scheme**

Eligible participants include full time employees and directors of the Company or its subsidiaries; advisers, consultants, suppliers and agents to the Company or its subsidiaries and such other persons who, at the sole determination of the board of directors, have contributed to the Group.

(c) **Total number of shares available for issue under the Scheme and percentage of issued share capital at the date of this annual report**

No share option had been granted under the Scheme. The Company may grant share options to subscribe for 516,597,393 shares of the Company, representing approximately 10.00% of the shares in issue as at the date of this report.

(d) **Maximum entitlement of each participant under the Scheme**

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by shareholders in general meeting.

(e) **The period within which the shares must be taken up under an option**

At any time during a period to be notified by the board of directors, which period not to exceed 10 years commencing on the date on which the option is accepted and expiring on a day not later than the last day of the 10-year period.

(f) **The minimum period for which an option must be held before it can be exercised**

None.

(g) **The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid**

HK$1.00 is to be paid as consideration for the grant of option within 30 days from the date of offer.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

35. SHARE OPTION SCHEME (CONTINUED)

(h) The basis of determining the exercise price

The exercise price shall be determined by the board of directors but shall not be less than the highest of:

i. the official closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;

ii. the average of the official closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of offer; and

iii. the nominal value of a share.

(i) The remaining life of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date on 27 March 2003.

No share option had been granted under the Scheme since its adoption.

36. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the year:

Key management personnel compensation

Compensation for key management personnel, including amount paid to the Directors and certain of the highest paid employees, as disclosed in note 34(b), is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Salaries and allowances	**1,680**	1,680
Contributions to retirement fund	**20**	16
	1,700	1,696

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

37. OPERATING LEASE COMMITMENT

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At the end of the reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Within one year	**4,447**	1,180
In the second to fifth years, inclusive	**6,712**	167
	11,159	1,347

38. DECONSOLIDATION OF SUBSIDIARIES IN WINDING UP

For the year ended 30 September 2009, Techglory International Limited ("TGI") held an extraordinary general meeting at which it was resolved to wind up TGI by way of voluntary winding up under Section 241 of the Hong Kong Companies Ordinance and liquidators were appointed.

In addition, an inactive subsidiary of the Group was in the process of winding up during the year ended 30 September 2009. Accordingly, the Group had deconsolidated these subsidiaries as the Directors considered that the Group's control over these subsidiaries had been lost. The assets and liabilities of these subsidiaries at the respective dates of deconsolidation were as follows:

	2009
	HK$'000
Assets and liabilities deconsolidated:	
Available-for-sale financial assets	135
Prepayments, deposits and other receivables	115
Cash and cash balances	1,037
Accrued charges and other payables	(401,331)
	(400,044)
Exchange reserve realised upon deconsolidation	(49)
Gains on deconsolidation of subsidiaries in winding up	(400,093)
Analysis of net outflow of cash and cash equivalents arising from winding-up subsidiaries:	
Cash and bank balances of subsidiaries in winding up	(1,037)

Notes to the Consolidated Financial Statements

For the year ended 30 September 2010

38. DECONSOLIDATION OF SUBSIDIARIES IN WINDING UP (CONTINUED)

Notes:

(a) A landlord leased an office premises to TGI and issued a writ of summons of approximately HK$1,775,000 to TGI in respect of the rental disputes. Since TGI was in the process of winding up, no further provision in respect thereof has been made in the consolidated financial statements accordingly.

(b) An amount due to the Group of approximately HK$391,531,000 was included in accrued charges and other payables.

39. DEREGISTRATION OF SUBSIDIARIES

For the year ended 30 September 2010, ten wholly owned subsidiaries of the Group were deregistered. The assets and liabilities of the subsidiaries deregistered at the relevant dates were as follows:

	2010 **HK$'000**
Accrued charges and other payables	**5,813**
Exchange reserve realised upon deregistration	**(446)**
Gains on deregistration of subsidiaries	**5,367**

An amount due to the Group of approximately HK$5,798,000 was included in accrued charges and other payable.

40. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 17 December 2010.

Five Year Financial Summary

For the year ended 30 September 2010

	For the year ended 30 September				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
				(Restated)	
Results					
Turnover	**32,424**	30,927	676,356	1,315,279	1,018,095
(Loss)/profit before taxation	**(10,830)**	2,382	(171,432)	(49,636)	(63,756)
Taxation	**549**	(297)	12	165	(31,526)
(Loss)/profit attributable to owners holders of the Company	**(10,281)**	2,085	(171,420)	(49,471)	(95,282)
Dividends	**–**	–	–	–	–

	At 30 September				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Investment property	**–**	13,800	12,000	12,000	12,000
Property, plant and equipment	**2,299**	1,624	3,983	4,311	3,701
Intangible assets	**–**	–	29,381	36,341	–
Available-for-sale financial assets	**8,051**	19,352	12,301	12,301	79,275
Net current assets	**71,701**	64,147	33,476	197,749	221,065
	82,051	98,923	91,141	262,702	316,041
Equity attributable to owners of the Company	**82,051**	98,122	90,637	262,168	315,465
Long-term liabilities	**–**	–	–	–	42
Deferred tax liabilities	**–**	801	504	534	534
	82,051	98,923	91,141	262,702	316,041

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