GLOBAL TECH (HOLDINGS) LIMITED
耀科國際(控股)有限公司

(Stock Code 股份代號:143)

2011
Annual Report
年　報

Contents

CORPORATE PROFILE

Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") provide marketing and service input that fits into the business and brand positioning strategies of technology vendors. By clearly defining the value proposition of telecommunications product offerings, the Group facilitates the process of customer engagement through its services at various points along the value chain including product management and after-sales services.

Leveraging its marketing and distribution strengths, the Group has made advances into the handset and tablet computer accessory arena with a view to expanding its product portfolio and bringing better user experiences to end-users. With mobile device handset personalisation and fashion accessories being the key market drivers, the after-market accessory business is set for further growth.

The Group also consistently provides reliable repair services for telecommunications products and other electronic products, and where appropriate, engages in investments in financial assets and other business sectors.

As the telecommunications industry enters a new era, the Group continues to harness its vertical industry skill sets to provide customers with solutions that empower their personal and professional lives.

CHAIRMAN'S STATEMENT

The year ended 30 September 2011 was a period of mixed economic signals. After strong growth in 2010 and the beginning of 2011 as a result of fiscal stimulus packages by various governments, a slowdown was witnessed amidst a barrage of economic shocks.

As warned in a statement by the International Monetary Fund (IMF), dark clouds have been gathering over the global economy. The eurozone crisis, in particular, is creating financial instability that can drag down global economic growth. As liquidity recedes, the effect on the real economy may soon be felt.

In the IMF's September 2011 World Economic Outlook, world growth was projected to moderate to 4% in 2011 and 2012, down from over 5% in 2010. The sovereign debt worries have spread from some peripheral countries to core members of the eurozone and beyond to the United States and Japan.

Emerging markets, which have in the past few years enjoyed immunity from adverse global economic developments, now face more volatile capital flows and diverse export conditions. Amidst worsening financial turmoil, economists have begun to revise China's outlook downward on the back of its slowing export growth. The country's gross domestic product (GDP) rose by 9.1% year on year in the third quarter of 2011, the slowest pace in two years.

At the same time, the worldwide mobile phone market experienced slower growth as smartphone purchases softened in the third quarter of 2011, according to International Data Corporation (IDC). However, smartphones are expected to continue to drive the overall mobile phone market in the quarters to come. They represented 26% of worldwide mobile phone sales in the third quarter.

While handset vendors are riding the wave of smartphone growth, operator margins are under threat. Moody's warns that margins in the telecommunications sector are coming under increasing pressure from rising handset subsidies. The rating agency notes that in the past three years, average handset subsidies have jumped 78%, to an average US$139 a unit, up from US$78. However, the average revenue per user (ARPU) has not kept pace with rising handset subsidies.

Along with smartphone growth, mobile data traffic has increased significantly. A Gartner report forecasts worldwide mobile data services revenue to grow 23% over that of 2010. Global mobile data traffic is expected to grow 26-fold between 2010 and 2015, with revenue expected to double. Consequently, Gartner expects communications service providers to offer increasingly more flexible and personalised data plans in order to expand their user base in mobile data sector.

On the other hand, smartphone development is presenting challenges to traditional vendors as it gives players from outside the industry greater access to the ecosystem. Non-traditional players such as Apple and Google have already made real inroads into the market, personal computer (PC) makers such as Lenovo, Dell, and Acer are upping the ante in smartphones, and even newer comers like Panasonic and Amazon are also readying to enter the arena.

In its *Top 10 Strategic Technology Trends* presentation, Gartner predicts media tablet shipments to reach around 50% of laptop shipments, with Windows 8 likely to be in third place behind Android and Apple. The implication is that the era of the PC Windows as the dominant platform will give way to a post-PC era with a variety of environments. Smartphone prices are predicted to drop as low as US$75 for entry-level devices in 2012. Meanwhile, faster processors with bigger and higher-resolution screens, plus three-dimensional, high-definition video and more sensors are driving more and richer features into high-end devices.

It is expected that by 2014, there will be more than 70 billion application downloads from app stores every year. Touch, gesture and voice search are going to change the way mobile apps work in future. Another interesting trend is that by 2015, 40% of the world's smartphone users will opt in to context service providers for contextual user experiences. Such a system anticipates the user's needs and proactively serves up the most appropriate and customised content, product or service with technologies such as near-field communications being the tipping point. These developments will generate tremendous demand for bandwidth.

As the number of smartphone users is projected to increase at a steady double-digit pace through the next few years, wireless infrastructures will need to evolve quickly to provide the necessary capacity. Specifically, mobile network operators (MNOs) more than ever need to deliver a wider range of mobile broadband applications and services, while ensuring a quality user experience.

Long Term Evolution (LTE) has emerged as the ideal choice for MNOs. Its increased fourth-generation (4G) spectral efficiency enables it to support more users at higher usage rates. Furthermore, it minimizes latency and provides more bandwidth, enabling MNOs to offer much greater data capacity per user. LTE is the fastest developing mobile technology in the industry's history since it was first adopted in 2009. With LTE adoption moving at a quicker pace than analysts' initial expectations, IDC believes that by the end of 2011, vendors will ship a total of 5.5 million LTE mobile phones worldwide.

Bringing significantly improved user experience with full mobility, LTE will support the industry's further innovations in applications and features. Furthermore, apart from the primary function of communication, a mobile phone now has the added benefit of a range of lifestyle choices. Younger users increasingly find handsets an indispensable tool that not only enables them to chat and enjoy entertainment, but even serves as a way of conveying a personal statement. Some consumers feel that they are beginning to identify their individuality with the type of phone or model they carry, and they accessorise their mobile phone with a range of embellishments.

ABI Research estimated that after-market mobile phone accessories produced worldwide revenue of US$26.5 billion in 2009, a figure that is expected to double by 2015. This rate of growth underlines the increasing value of consumer electronics as fashion accessories as much as functional devices. ABI also attributed the uptrend in the accessories market to the growth in the smartphone market.

Continuing technological innovation, together with the increasing trend for customers to personalise their handsets, promises a bright future for the market. Researchers further expect the accessories market to break out into new industry verticals, such as healthcare, gaming, enterprise and the like.

A number of economic events, notably related to the eurozone debt crisis, fiscal problems of the United States and a slowdown in emerging economies, are likely to dominate global developments in the coming year.

Financial risks are not new, but with the world economy facing severe and long-lasting recessionary pressures these risks are evolving to new levels in response to the widespread financial turmoil and general downturn. The Group's priorities remain to reinforce its risk framework, identify areas of vulnerability, appraise key relationships and perform scenario planning.

On the one hand, the Group tightens up on appropriate cost parameters in order to reposition and lead the business through the turbulent times. On the other hand, it continues to innovate and make the kinds of changes that are critical to business sustainability. As such, this is a time to rethink product and service offerings, markets, business processes and organisational structure, and to adjust and enhance them to achieve results.

In facing up to the challenges that lie ahead in a year of continuing uncertainty, the Group will prudently pursue opportunities in the marketplace while staging its commitments to reduce risks. The Group has in place the business strategies and teams of people to meet the challenges presented by an increasingly complex market place.

SY Ethan, Timothy
Chairman

Hong Kong, 15 December, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

For the year ended 30 September 2011, the Group's turnover totalled approximately HK$38.9 million (2010: HK$32.4 million), up 20.1% against the previous year. This reflected increased revenue from the trading of telecommunications products.

As economies worldwide were resigned to a slowdown over the past quarters, the telecommunications and consumer electronics industry, which operates in the global economic ecosystem, has braced itself for more severe headwinds. While continuing to maintain a prudent strategy for its telecommunications products trading segment, the Group has incorporated more varieties of products in its offerings, thus recording an increase in sales by 144.3% year on year to approximately HK$14.9 million (2010: HK$6.1 million). The increased sales were mainly attributable to the trading of mobile phone accessories and computer accessories which have become fashion items to complement a range of electronic consumer goods.

A loss from operations of approximately HK$15.3 million (loss in 2010: HK$23.7 million) was incurred, with loss for the year amounting to approximately HK$15.3 million (loss in 2010: HK$10.3 million). The loss was mainly due to increasing operating expenses, in particular staff and rental costs.

The Hong Kong Market

Hong Kong has one of the world's highest penetration rates for both mobile and fixed telephone services, at around 201% and 102% respectively as of August 2011. This is supported by a substantial infrastructure in one of the world's most dynamic and sophisticated telecommunications markets.

According to statistics announced by the Office of the Telecommunications Authority (OFTA), among the 14.3 million mobile subscribers in Hong Kong as of August 2011, about 7.6 million or 53% were 2.5 generation (2.5G) or third generation (3G) service subscribers. Another notable trend is that the household broadband penetration rate also reached 85% in August 2011.

With five mobile operators, Hong Kong remains a crowded and competitive market, leading operators to add value to their service offerings – for example triple-play and even quadruple-play services – with the aim of driving up the average revenue per user (ARPU). Local mobile operators are also preparing to deploy Long Term Evolution (LTE) mobile broadband services, initiating another cycle of a new technology and consequent battle for market share even as 3G deployment still moves towards its peak.

With the Hong Kong market so mature and penetration levels so high, operators are continuing to shift their focus from subscriber acquisition to subscriber retention, leading to increasing investment in service innovation. Beyond the local market, Hong Kong is also a key gateway for all foreign telecom companies and equipment vendors seeking to capture a share of the neighbouring – and rapidly expanding – mainland China market.

To cater for customer needs in the fiercely competitive market, mobile and fixed broadband service providers offer a variety of service plans, including unlimited usage plans. These "unlimited" service plans are however subject to limitation, as providers may apply the Fair Usage Policy (FUP) to impose restrictions through reducing access speed for customers whose data usage has exceeded a specified threshold. Most users are not aware of the existence of FUP, and users of unlimited service plans feel aggrieved when their usage is subject to restrictions because of it. This has given rise to consumer complaints. In 2010 and the first ten months of 2011, OFTA received 160 and 74 FUP-related customer complaints respectively.

This has driven OFTA to issue a set of mandatory guidelines on FUP in November 2011. The guideline aims to provide guidance to broadband service providers on how they may implement FUP, and to enhance the transparency of service information to facilitate better informed consumer choices.

Hong Kong's consumer electronic devices market, defined as the addressable market for computing devices, mobile handsets and AV products, is projected at US$4.2 billion in value in 2011. By 2015 this is expected to increase to US$5.0 billion, with products such as smartphones, touchscreen handsets, and tablets, as well as light-emitting diode (LED) and three-dimensional (3D) television (TV) sets, driving continued growth. BMI expects sales of handsets in Hong Kong to grow at a compound annual growth rate (CAGR) of about 2% to US$462 million in 2015. With existing handset ownership at saturation point, the market is expected to be driven mainly by replacement sales, with the smartphone segment predicted to increase three to four times faster than the market as a whole.

Overall consumer electronic product sales were solid during the first half of 2011 and prices have firmed up on the back of the economic recovery, but research firm BMI warned that a cooling in the local economy could have an impact on consumer spending going forward.

Findings from a survey by Nielsen Co. also indicated that Hong Kong consumer confidence experienced a slight dip in the third quarter of 2011. As in the majority of global markets, confidence levels in Hong Kong in the third quarter retreated to levels similar to those recorded a year ago. The decline in consumer confidence was mainly driven by a less optimistic outlook for job prospects and the state of personal finances.

Liquidity, Financial and Working Capital Resources

The Group's total non-current assets increased to approximately HK$11.9 million (2010: HK$10.4 million) at 30 September 2011, mainly arising from additions to property, plant and equipment owing to the renovation of the Group's new office.

The Group maintained its conservative low-inventory policy during the year. As a result, inventories remained at a relatively low level of approximately HK$5.6 million (2010: HK$3.4 million) at 30 September 2011.

At 30 September 2011, the Group had net trade receivables of approximately HK$29.8 million (2010: HK$28.4 million).

The Group has no bank borrowings at 30 September 2011 (2010: HK$Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2010: Nil). No fixed deposit was pledged for obtaining banking facility during the year (2010: Fixed deposit of HK$4.7 million was pledged as collateral). The current ratio was approximately 1.81 (2010: 2.14) while the liquid ratio stood at approximately 1.72 (2010: 2.09).

The objective of the Group's cash management policy is to optimise liquidity to gain a better return for shareholders in a risk-averse manner. At 30 September 2011, there was no investment in financial assets at fair value through profit or loss (2010: HK$Nil).

With increasing financial volatility around the world, 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 2011, 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 2011.

Material Acquisition or Disposal of Subsidiaries

There was no material acquisition or disposal of subsidiaries during the year ended 30 September 2011. Three (2010: ten) subsidiaries of the Group were deregistered during the year.

Prospects and Strategic Outlook

Facing a wider range of risks, the Group is committed to building and managing a resilient business through various cost control measures, and the maintenance of a lean organisation structure and streamlined business processes.

Effective supply chain management is indeed the way forward for players in the telecommunications field in the new marketplace shaped by compressed product life and diffusion cycles. In view of this, the Group will continue its conservative product adoption strategy to maintain low inventory levels. The streamlining of business processes also enables reduced time-to-market.

According to the International Data Corporation (IDC) Worldwide Mobile Phone Tracker, the worldwide mobile phone market grew about 13% year over year in the third quarter of 2011, as smartphone growth declined in key mature markets. Vendors shipped 393.7 million units in the third quarter compared to 348.9 million units in the same quarter of 2010.

Reflecting delayed smartphone purchases and conservative consumer spending during the quarter, this growth rate was the second-lowest for the overall mobile phone market over the past two years. Economically mature regions, such as the United States and Western Europe, were hardest hit, with shipment volumes to both regions declining on a year-over-year basis.

IDC pointed out that the combination of economic uncertainty and anticipation over the fourth-quarter or late third-quarter product releases caused some consumers to delay their smartphone purchase.

Smartphone-centricity continues to be the hallmark of the mobile phone market, owing in large part to the success of Android smartphones by LG, Motorola, Samsung and Sony Ericsson. At the same time, the growing presence of companies focusing exclusively on the smartphone market - Apple, HTC, and RIM - also demonstrate the impact of the trend.

Gartner estimated worldwide sales of smartphones in the third quarter of 2011 at some 115 million, accounting for 26% of total mobile communication device sales. The firm expected total smartphone sales in 2011 to reach 472 million across the globe, rising to 982 million in 2015.

In line with the continued migration towards smartphones and an increase in sales of media tablets, Gartner also forecast mobile data services revenue to total US$314.7 billion in 2011, a 22.5% increase from 2010. Mobile data traffic will increase significantly as more people will have access to mobile data networks, which will become faster and more ubiquitous.

Worldwide LTE subscriptions are forecast by Mind Commerce to grow at a CAGR of 180% from 2011 to 2015. By 2015 it is estimated that LTE will be commercially available in over 54 countries with over 410 Million subscriptions. LTE subscriptions numbered 3.7 million worldwide as of October 2011, with this number expected to rise to over 6.6 million by the fourth quarter. North America currently leads and dominates the market following initial major LTE rollouts, with a market share of 91% as of the third quarter of 2011. However, the Asia Pacific region is likely to overtake this lead as the market matures, with its market share projected at 50% in 2015.

LTE adoption is moving much faster than analysts initially expected, but a number of barriers still stand in the way of early adoption by many countries. In particular, the limitation of the frequency spectrum presents a major obstacle for many network operators, with a majority of the spectrum bands suitable for LTE yet to be allocated in many regions.

The evolution from 3G services to the fourth generation (4G) will undoubtedly occur and this will factor into the already competitive and fast-paced mobile landscape. In order to retain resilience and react in a timely manner to the volatile business environment, the Group will continue to maintain a lean organisation and an integrated approach to business process management. While embedding the risk management philosophy into its business operations, the Group will carefully balance risk and opportunity management activities with the objective of creating and preserving value for stakeholders.

The Group continues to anticipate tight control of expenditures on after-sales services by vendors, posing further pressures on margins for sales and marketing activities, in particular repair services. As such, the Group expects ongoing challenges for the forthcoming year. The Group cannot be insulated from the changing tide of the business environment, but it is poised at all times to respond with flexibility to opportunities or threats under the new economic realities.

Employee Information

At 30 September 2011, the Group employed a work force of 87 (2010: 98). Staff costs, including salaries and bonuses, were approximately HK$20.5 million (2010: HK$17.1 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent. The remuneration packages mainly comprise 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 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 2011, 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 19.

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.

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 2011, 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	2/4
Non-executive Director:	
Mr. KO Wai Lun, Warren	3/4
Independent Non-executive Directors:	
Mr. Andrew David ROSS	4/4
Mr. Geoffrey William FAWCETT	3/4
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.

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 2011, 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.

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	0/1
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 32 to 85 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 2011 approximately amounted to HK$1,000,000 and HK$250,000 respectively.

The reporting responsibilities of HLB are set out in the Independent Auditors' Report on pages 30 and 31.

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

DELEGATION BY THE BOARD

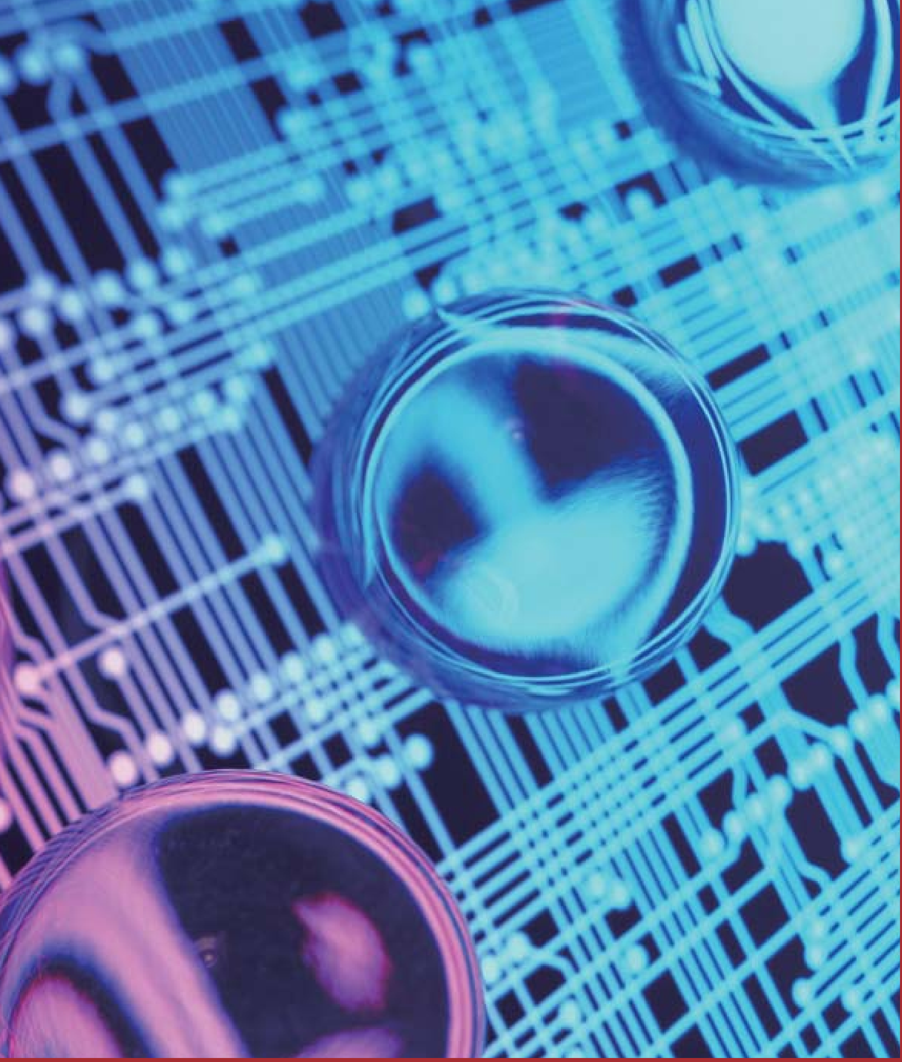
While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise 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

Hong Kong's recruitment demand remained high in 2011 as the local economy continued to stage a rebound from the 2008 financial crisis. The strength of demand for technology and sales and marketing staff in Hong Kong was significant as multinationals increased their focus on revenue opportunities in Asia. However, there remains a sense of only cautious optimism in the market in the face of troubled economies in the United States and Europe.

The revenue-generating sales and marketing role has been the most popular functional area for hiring. As multinationals are expanding their footprint in Asia and are hiring professionals to implement their information technology infrastructure in support of regional growth, hiring activity in the technology sector has shown a continued increase during the year.

The ever-changing momentum of the recruitment landscape has propelled the Group to constantly rethink its staff remuneration and retention strategies in order to engage talents critical to building sustainability in its businesses. While maintaining a lean structure, the Group seeks talent with the ability to add value to the organisation and differentiate its businesses from the competition. Team members are empowered to apply their skills sets and marketing insights to consistently deliver innovative product offerings and reliable services.

In return, the Group strives to provide a fulfilling work environment where personal and professional development is encouraged and rewarded, and offer a career path tailored to staff members' needs in their existing and future roles.

Through constant enhancement of its business processes, organisation development and human capital management, the company continues to meet the challenges ahead. The Group is grateful to its staff team for their hard work and professional input during the past year.

EXECUTIVE DIRECTORS

Mr. SY Ethan, Timothy, aged 38, 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 46, 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 19 years of experience in the customer telecommunications industry and over 22 years of trading experience in the People's Republic of China.

NON-EXECUTIVE DIRECTOR

Mr. KO Wai Lun, Warren, aged 44, 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 57, 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 54, 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 62, 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

Worldwide sales of mobile devices grew about 6% year on year in the third quarter of 2011 to 441 million units, according to Gartner, Inc. Smartphone sales to end users were 115 million units in the quarter, up 42% year on year, but slowed to a 7% growth rate quarter on quarter. Smartphones accounted for 26% of all mobile phone sales, growing only marginally from 25% in the previous quarter. In contrast, non-smartphone devices performed well, driven by demand for low-cost devices in emerging markets from white-box manufacturers, as well as for dual-subscriber identity module (SIM) devices.

Gartner notes that while strong smartphone growth in China and Russia has helped increase overall volumes in the quarter, demand stalled in advanced markets such as Western Europe and the United States, as many users delayed their purchases pending the launch of new flagship devices. Slowdowns also occurred in Latin America, the Middle East and Africa.

Despite a decline in its market share, Nokia continued to lead the world market for mobile devices, accounting for about 24% of global sales. The third quarter of 2011 showed signs of improvement for Nokia following a low point in the second quarter, while its momentum in emerging markets was maintained through strong sales of feature phones, particularly dual-SIM models.

Samsung for the first time became the quarter's top smartphone manufacturer, as sales to end users tripled year over year to reach 24 million. This is attributed by Gartner to the strong performance of Samsung's Galaxy smartphones, which now span a wide range of prices, amid weaker market competition. However, analysts expect more competition in the fourth quarter, with the introduction of the iPhone 4S and other Android phones.

Apple shipped 17 million iPhones during the quarter, a year-on-year increase of 21%, but down nearly 3 million units from the second quarter. Apple is believed to be able to bounce back in the fourth quarter on strong pre-orders for the iPhone 4S. It is also beginning to gain larger shares of emerging markets, especially with the price cuts on the iPhone 3GS and 4 models.

The Android operating system (OS) accounted for approximately 53% of smartphone sales to end users in the third quarter, more than doubling its market share year on year. According to Gartner, Android's growth is driven by more mass-market offerings, a weaker competitive environment and the lack of captivating new products based on other OS such as Windows Phone 7 and RIM. RIM's performance remains under pressure, and its smartphone share dropped to a new low of 10% in the United States.

At the same time, China's entry-level unbranded or white-box mobile phones and tablet personal computers (PC) are making inroads in developing economies. Deutsche Bank changed its previous mobile phone sales forecast upwards, citing the huge quantity of inexpensive phones from unlicensed manufacturers in China. One of the biggest export destinations for white-box mobile handsets is India. According to the Indian Cellular Association, imports are expected to rise 90% to 38 million units in 2011, from 20 million units in 2009-2010.

Apart from India, customs statistics show that in the first quarter of 2011, China's exports to a number of other emerging markets, such as Brazil, Kenya, Ukraine, Pakistan, Venezuela, Peru, Turkey, Argentina, Nigeria, Sri Lanka and Zambia, registered steep increases. Legitimate white-box mobile devices are also capturing retail markets in many other developing economies. In Vietnam, for example, generic handsets as a category now account for 40% of mobile phone sales.

Rising smartphone uptake does not necessarily translate into good news for operators. Growth in average revenue per user (ARPU) and mobile data revenue associated with high-end devices is being offset by rising subscriber acquisition and retention costs as a result of higher handset subsidies. A GSM/Wireless Intelligence study published in July 2011 stated that profit margins for carriers in the developed economies declined by 1.4% in 2009 and a further 0.3% in 2010, and that 40% of these operators saw revenue declines in 2010.

The performance of the global wireless telecommunications services market is also forecast by MarketLine to decelerate, with an anticipated compound annual growth rate (CAGR) of 7.5% for the five-year period 2010–2015. Operators in all markets are therefore rethinking their cost structure and maintaining their efforts to achieve leaner operations.

An IDC study points out that with Long Term Evolution (LTE) networks moving from trial to commercial launch, LTE mobile phones will no doubt be following closely behind. The research firm believes that by the end of 2011, mobile phone vendors will ship a total of 5.5 million LTE mobile phones worldwide. From there, LTE mobile phone shipments are forecast to reach a total of 129.1 million units in 2014, resulting in a CAGR of 812% for 2010–2014.

The requirements for high initial investments and economies of scale in production have challenged early adoptions of LTE for many developing countries. Nevertheless, it is believed that LTE's clear long-term advantages, such as high data rates, capacity enhancement and lower operational expenditure, will inevitably drive large-scale adoption in a majority of countries worldwide by 2015.

With smartphones likely to hit the inflection point by 2012, the demand for mobile applications (apps) has grown immensely. Mobile analytics company Flurry estimates that app downloads to Android and iOS will hit 25 billion in 2011, representing a 300% jump from 2010. Flurry further expects revenues from app downloads to reach an estimated US$$2.5 billion in 2011.

Flurry dubs China as the 'new mobile app dragon' as it is the fastest-growing app market, currently ranking second in the world after the United States. The firm predicts China will overtake the United States by 2013 if both countries stay on their existing growth tracks. With 102 million third generation (3G) subscribers at the end of September, China is nurturing a new mobile generation. Mobile app services in China grew 870% during the first ten months of 2011, outpacing the combined growth of the 100 largest other nations in the world by a factor of four.

The outlook for China's telecommunications industry remains bright, as Pyramid Research expects 3G service adoption to gain additional momentum and operators to further capitalise on their investments in infrastructure through promotion of value-added services.

As a whole, the telecommunications industry has built a ubiquitous mobile broadband infrastructure and achieved the proliferation of devices that connect the world's population to the Internet. Now industry participants are creating a mobile lifestyle through an array of innovative, value-added services. It is foreseeable that the world will ultimately become a mobile planet that leverages mobility to help enrich and improve lives.

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

Hong Kong legal advisers	Reed Smith 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 8A CATIC Plaza 8 Causeway Road Causeway Bay Hong Kong Tel. : 2511-8388 Fax. : 2511-8238 E-mail : enquiry@t6pr.com

The Directors submit their report together with the audited financial statements of the Company and the Group for the year ended 30 September 2011.

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 18 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 September 2011 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 2011 are set out in the consolidated income statement on page 32.

The Directors resolved not to make any payment of an interim dividend (2010: HK$Nil) and do not recommend the payment of a final dividend (2010: HK$Nil) for the year ended 30 September 2011.

RESERVES

Movements in the reserves of the Group and the Company during the year ended 30 September 2011 are set out in the consolidated statement of changes in equity on page 37 and note 30 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 2011 are set out in note 17 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 2011.

BANK BORROWINGS

The Group has no bank borrowings at 30 September 2011.

DIRECTORS

The Directors who held office during the year ended 30 September 2011 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. SUNG Yee Keung, Ricky and Andrew David ROSS 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 19.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company at 30 September 2011 are set out in note 30 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 86.

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 2011, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 33 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 2011.

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 2011, 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 2011	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 2011, 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.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER THE SFO

At 30 September 2011, 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 2011.

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 2011.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 30 September 2011 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	52%
– five largest suppliers combined	90%
Sales	
– the largest customer	48%
– five largest customers combined	61%

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.

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 to the MPF Scheme. 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 are 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, 15 December 2011

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 32 to 85, which comprise the consolidated and company statement of financial position as at 30 September 2011, 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 of consolidated financial statements that give a true and fair view 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 Group's state of affairs as at 30 September 2011, and of its 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, 15 December 2011

Consolidated Income Statement

For the year ended 30 September 2011

	Notes	2011 HK$'000	2010 HK$'000
Turnover	7	**38,898**	32,424
Cost of sales		**(27,434)**	(20,521)
Gross profit		**11,464**	11,903
Other revenue	9	**13,030**	644
Other income	10	**39,545**	6,704
Selling and distribution expenses		**(2,592)**	(1,930)
Administrative expenses		**(38,956)**	(35,211)
Other operating expenses		**(37,770)**	(5,798)
Loss from operations	11	**(15,279)**	(23,688)
Fair value gain on investment property	16	**–**	8,700
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	20	**–**	4,158
Loss before taxation		**(15,279)**	(10,830)
Taxation	12	**27**	549
Loss for the year	13	**(15,252)**	(10,281)
Dividends	14	**–**	–
Loss for the year attributable to owners of the Company		**(15,252)**	(10,281)
Loss per share attributable to owners of the Company			
Basic and diluted	15	**HK$(0.003)**	HK$(0.002)

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

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

	2011 HK$'000	2010 HK$'000
Loss for the year	**(15,252)**	(10,281)
Other comprehensive loss		
Exchange differences on translating foreign operations	**(1,951)**	(1,261)
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 on fair value change of available-for-sale financial assets	**(1,155)**	(817)
Total comprehensive loss for the year	**(18,358)**	(16,071)
Total comprehensive loss attributable to owners of the Company	**(18,358)**	(16,071)

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Investment property	16	–	–
Property, plant and equipment	17	5,036	2,299
Available-for-sale financial assets	20	6,896	8,051
		11,932	10,350
Current assets			
Inventories	21	5,588	3,400
Trade receivables	22	29,767	28,378
Prepayments, deposits and other receivables	23	26,312	11,354
Pledged time deposits	24	–	4,665
Cash and bank balances	25	53,873	86,618
		115,540	134,415
Current liabilities			
Trade payables	26	1,053	967
Accrued charges and other payables	27	9,733	8,502
Tax payables		52,993	53,245
		63,779	62,714
Net current assets		51,761	71,701
Total assets less current liabilities		63,693	82,051
Non-current liabilities			
Deferred tax liabilities	28	–	–
Net assets		63,693	82,051

	Notes	2011 HK$'000	2010 HK$'000
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	29	**51,659**	51,659
Reserves		**12,034**	30,392
Total equity		**63,693**	82,051

The consolidated financial statements were approved and authorised for issue by the board of directors on 15 December 2011 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 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Interests in subsidiaries	18	**24,764**	24,764
Available-for-sale financial assets	20	**5,300**	5,300
		30,064	30,064
Current assets			
Amounts due from subsidiaries	19	**13,639**	8,017
Prepayments, deposits and other receivables	23	**1,120**	284
Cash and bank balances	25	**3,356**	4,190
		18,115	12,491
Current liabilities			
Accrued charges and other payables	27	**4,132**	3,745
Amount due to subsidiaries		**11,826**	780
		15,958	4,525
Net current assets		**2,157**	7,966
Net assets		**32,221**	38,030
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	29	**51,659**	51,659
Reserves	30	**(19,438)**	(13,629)
Total equity		**32,221**	38,030

The financial statements were approved and authorised for issue by the board of directors on 15 December 2011 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.

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000 (Note 1)	Investment property revaluation reserve HK$'000 (Note 2)	Investment revaluation reserve HK$'000 (Note 3)	Exchange difference reserve HK$'000 (Note 4)	Accumulated losses HK$'000	Total HK$'000
At 1 October 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)
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 loss for the year	–	–	–	–	–	(4,975)	(815)	(10,281)	(16,071)
Transfer upon disposal of investment property	–	–	–	–	(2,521)	–	–	2,521	–
At 30 September 2010 and 1 October 2010	**51,659**	**457,804**	**2,450**	**160**	**–**	**905**	**1,565**	**(432,492)**	**82,051**
Loss for the year	–	–	–	–	–	–	–	(15,252)	(15,252)
Exchange differences	–	–	–	–	–	–	(1,951)	–	(1,951)
Fair value change of available-for-sale financial assets	–	–	–	–	–	(1,155)	–	–	(1,155)
Total comprehensive loss for the year	–	–	–	–	–	(1,155)	(1,951)	(15,252)	(18,358)
At 30 September 2011	**51,659**	**457,804**	**2,450**	**160**	**–**	**(250)**	**(386)**	**(447,744)**	**63,693**

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 of 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 during 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/(loss), 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/(loss) 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(i).

Consolidated Statement of Cash Flows

For the year ended 30 September 2011

	2011 HK$'000	2010 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(15,279)**	(10,830)
Adjustments for:		
Bad debts written off	**13**	–
Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	**–**	(4,158)
Depreciation	**1,500**	847
Fair value gain on investment property	**–**	(8,700)
Fair value gains on financial assets at fair value through profit or loss	**–**	(152)
Impairment loss recognised in respect of trade receivables	**29**	–
Impairment loss recognised in respect of other receivables	**–**	5,798
Loss on disposals of property, plant and equipment	**162**	–
Net gains on deregistration of subsidiaries	**(37,565)**	(5,367)
Other receivables written off arising from deregistration of subsidiaries	**37,565**	–
Provision of obsolete inventories	**262**	262
Reversal of provision of obsolete inventories	**(16)**	(3,359)
Write down on inventories	**144**	–
Dividend income	**(28)**	–
Interest income	**(182)**	(67)
Operating cash flows before movements in working capital	**(13,395)**	(25,726)
(Increase)/decrease in inventories	**(2,581)**	1,170
(Increase)/decrease in trade receivables	**(1,444)**	12,344
Increase in prepayments, deposits and other receivables	**(14,905)**	(4,054)
Increase/(decrease) in trade payables	**77**	(62)
Increase in accrued charges and other payables	**1,193**	2,674
Cash used in operations	**(31,055)**	(13,654)
Profits tax paid	**(225)**	–
Net cash used in operating activities	**(31,280)**	(13,654)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(4,383)**	(1,527)
Proceeds from disposal of investment property	**–**	22,500
Proceeds from disposals of property, plant and equipment	**–**	4
Proceeds from disposals of available-for-sale financial assets	**–**	10,484
Proceeds from disposals of financial assets at fair value through profit or loss	**–**	568
Interest income	**182**	67
Dividend income	**28**	–
Net cash (used in)/generated from investing activities	**(4,173)**	32,096

	2011 HK$'000	2010 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease/(increase) in pledged time deposits	**4,665**	(3)
Net cash generated from/(used in) financing activities	**4,665**	(3)
Net (decrease)/increase in cash and cash equivalents	**(30,788)**	18,439
Cash and cash equivalents at the beginning of the year	**86,618**	69,439
Effect of foreign exchange rate changes	**(1,957)**	(1,260)
Cash and cash equivalents at the end of the year	**53,873**	86,618
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**53,873**	86,618

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 18 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 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.

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 and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 October 2010.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2010 in relation to the amendments to HKFRS 3 (as revised in 2008), HKAS 27 and HKAS 28, HKAS 31 and HKAS 21
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

The application of new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised Standards and Interpretations in issue but not yet effective

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 in relation to the amendments to HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) – Int 13[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (As revised in 2011)	Employee Benefits[5]
HKAS 24 (As revised in 2009)	Related Party Disclosures[1]
HKAS 27 (As revised in 2011)	Separate Financial Statements[5]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[5]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[2]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[5]
HKFRS 11	Joint Arrangements[5]
HKFRS 12	Disclosure of Interests in Other Entities[5]
HKFRS 13	Fair Value Measurement[5]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[5]

[1] Effective for annual periods beginning on or after 1 January 2011.
[2] Effective for annual periods beginning on or after 1 July 2011.
[3] Effective for annual periods beginning on or after 1 January 2012.
[4] Effective for annual periods beginning on or after 1 July 2012.
[5] Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

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

New and revised Standards and Interpretations in issue but not yet effective (Continued)

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that the adoption of HKFRS 9 in the Group's consolidated financial statements may have a significant impact on amounts reported in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The Directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

HKFRS 10 Consolidated Financial Statements replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios including cases where an investor may control an investee with less than majority of voting rights. Overall, the application of HKFRS 10 requires extensive use of judgement.

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

New and revised Standards and Interpretations in issue but not yet effective (Continued)

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application of HKFRS 11 may result in changes in the classification of the Group's joint arrangements and their accounting treatments.

HKFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13 Fair Value Measurement improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

The Directors are in the process of assessing the impact of HKFRS 10, 11, 12 and 13 but are not yet in a position to state whether they would have a significant impact on the Group's results of performance and financial position.

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and loss of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 October 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries on or after 1 October 2010

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Changes in the Group's ownership interests in existing subsidiaries prior to 1 October 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

(b) Business combinations

Business combination that took place on or after 1 October 2009

Acquisitions of businesses 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 the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (Continued)

Business combination that took place on or after 1 October 2009 (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, 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 share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; 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 Operaions 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 net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (Continued)

Business combination that took place on or after 1 October 2009 (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Business combination that took place prior to 1 October 2009

Acquisition of businesses was 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 costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair value 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 acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (Continued)

Business combination that took place prior to 1 October 2009 (Continued)

The minority interest in the acquiree was initially measured at the minority interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

(c) 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.

(d) 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, 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 attributed to customers in Hong Kong and the majority of assets are located in Hong Kong.

(e) 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;

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

vi. Compensation income is recognised when the right to receive payment is established.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 recognised so as 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%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(g) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leasing

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.

The Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange difference reserve (attributed to non-controlling interests as appropriate).

From 1 October 2010 onwards, on the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the exchange difference reserve.

(j) 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 peiod. 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Financial assets

Financial assets are classified into the following specified categories: available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

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 the reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, deposits and other receivables, pledged deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Other financial liabilities

Other financial liabilities (including trade payables and accrued charges and other payables) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or dicounts) through the expected life of the financial liabilities, or where appropriate, a shorter period to the net carrying amount on initial recognition.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (Continued)

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 a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as fair value through profit or loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(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) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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.

(s) 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, 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

	2011 **HK$'000**	2010 HK$'000
Financial assets		
Loans and receivables (including cash and bank balances)	**108,800**	130,022
Available-for-sale financial assets	**6,896**	8,051
Financial liabilities		
Amortised costs	**10,786**	9,469

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

(1) 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.

(2) Price risk

The Group's equity investments classified as available-for-sale financial assets which is measured at fair value at the end of each reporting period and expose 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.

Investment revaluation reserve for the Group would be increased/decreased by approximately HK$47,000 (2010: HK$105,000) as a result of the changes of available-for-sale financial assets.

(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 of approximately 87% (2010: 91%) and 96% (2010: 99%) of total trade receivables was due from the Group's largest customer and the two 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.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(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.

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 2011

	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	–	1,053	–	–	1,053	1,053
Accrued charges and other payables	–	9,733	–	–	9,733	9,733
		10,786	–	–	10,786	10,786

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

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(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.

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 2011 and 2010.

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
At 30 September 2011				
Available-for-sale financial assets	**946**	**–**	**–**	**946**

	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 periods.

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.

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 owners 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. During the year ended 30 September 2011, the Group's strategy, which was unchanged from previous years, aims to maintain the gearing ratio at a reasonable level.

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

	2011 **HK$'000**	2010 HK$'000
Bank borrowings	**–**	–
Total assets	**127,472**	144,765
Gearing ratios	**N/A**	N/A

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

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.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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) 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.

7. TURNOVER

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

An analysis of turnover is as follows:

	2011 **HK$'000**	2010 HK$'000
Sales of goods	**14,882**	6,052
Provision of repair services	**24,016**	26,220
Fair value gain on financial assets at fair value through profit or loss, net*	**–**	152
	38,898	32,424

* 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.

8. SEGMENT INFORMATION

The Group's operating segments based on information reported to the CODM for the purpose of resource allocation and performance assessment are as follows:

(i) Trading of telecommunications products

(ii) Provision of repair services

(iii) Investments in financial assets

8. SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments for the years ended 30 September 2011 and 2010 is presented as follows:

(a) Segment revenue and results

	Trading of telecommunications products 2011 HK$'000	Provision of repair services 2011 HK$'000	Investments in financial assets 2011 HK$'000	Consolidated 2011 HK$'000
Turnover	**14,882**	**24,016**	**–**	**38,898**
Segment results	**(6,982)**	**(6,619)**	**28**	**(13,573)**
Interest income				**182**
Unallocated income				**13,296**
Unallocated expenses				**(15,184)**
Loss before taxation				**(15,279)**
Taxation				**27**
Loss for the year				**(15,252)**

	Trading of telecommunications products 2010 HK$'000	Provision of repair services 2010 HK$'000	Investments in financial assets 2010 HK$'000	Consolidated 2010 HK$'000
Turnover	6,052	26,220	152	32,424
Segment results	(5,626)	(2,162)	4,305	(3,483)
Interest income				67
Unallocated income				9,432
Unallocated expenses				(16,846)
Loss before taxation				(10,830)
Taxation				549
Loss for the year				(10,281)

8. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (Continued)

Turnover reported above represents turnover generated from external customers. There are no inter-segment sales for the year ended 30 September 2011 (2010: HK$ Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries and taxation. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	Trading of telecommunications products 2011 HK$'000	Provision of repair services 2011 HK$'000	Investments in financial assets 2011 HK$'000	Consolidated 2011 HK$'000
Segment assets	72,221	6,312	16,240	94,773
Available-for-sale financial assets				6,896
Unallocated corporate assets				25,803
Consolidated total assets				127,472
Segment liabilities	(3,979)	(1,849)	–	(5,828)
Unallocated corporate liabilities				(57,951)
Consolidated total liabilities				(63,779)

8. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (Continued)

	Trading of telecommunications products 2010 HK$'000	Provision of repair services 2010 HK$'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)

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; and

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

(c) Other segment information

	Trading of telecommunications products 2011 HK$'000	Provision of repair services 2011 HK$'000	Investments in financial assets 2011 HK$'000	Unallocated 2011 HK$'000	Consolidated 2011 HK$'000
Capital expenditure	104	514	–	3,765	4,383
Depreciation and amortisation	8	577	–	915	1,500
Impairment loss recognised in respect of other receivables	–	–	–	37,565	37,565

8. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information (Continued)

	Trading of telecommunications products 2010 HK$'000	Provision of repair services 2010 HK$'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

(d) Geographical segments

During the year ended 30 September 2011, more than 96% (2010: 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 arising from provision of repair services amounted to 48% of the Group's total turnover (2010: 71%).

9. OTHER REVENUE

	2011 HK$'000	2010 HK$'000
Interest income	182	67
Dividend income	28	–
Compensation income*	12,375	–
Sundry income	445	577
	13,030	644

* Compensation income represents the settlement amounts accepted by the Group from defendants during the year in respect of the claim brought by a subsidiary of the Company that the defendants breached the terms of investment agreements.

10. OTHER INCOME

	2011 HK$'000	2010 HK$'000
Exchange gains	1,980	1,337
Gains on deregistration of subsidiaries (note 35)	37,565	5,367
	39,545	6,704

11. LOSS FROM OPERATIONS

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

	2011 HK$'000	2010 HK$'000
Auditors' remuneration	**1,275**	1,224
Bad debts written off*	**13**	–
Cost of trading inventories sold	**11,223**	4,544
Depreciation	**1,500**	847
Exchange gains	**(1,980)**	(1,337)
Employee benefit expenses (note 31)	**19,624**	16,423
Retirement benefit costs (note 31)	**863**	633
Impairment loss recognised in respect of trade receivables*	**29**	–
Impairment loss recognised in respect of other receivables arising on deregistration of subsidiaries*	**–**	5,798
Loss on disposals of property, plant and equipment*	**162**	–
Reversal of provision of obsolete inventories	**(16)**	(3,359)
Provision of obsolete inventories	**262**	262
Write down on inventories	**144**	–
Other receivables written off arising on deregistration of subsidiaries*	**37,565**	–
Operating lease rental in respect of rental premises	**5,544**	3,104

* Items included in other operating expenses.

12. TAXATION

	2011 HK$'000	2010 HK$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	**–**	(252)
Over-provision for prior year	**27**	–
	27	(252)
Deferred tax:		
Credit for the year (note 28)	**–**	801
Taxation attributable to the Group	**27**	549

Note:

Hong Kong Profits Tax is calculated at 16.5% (2010: 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.

12. TAXATION (CONTINUED)

The tax credit for the years are reconciled to the loss before taxation per the consolidated income statement as follows:

	2011 HK$'000	2011 %	2010 HK$'000	2010 %
Loss before taxation	**(15,279)**		(10,830)	
Tax at statutory tax rate	**(2,521)**	**(16.5)**	(1,787)	(16.5)
Tax effect of expenses that are not deductible in determining taxable profit	**1,706**	**11.2**	843	7.8
Tax effect of income that is not taxable in determining taxable profit	**(3,319)**	**(21.7)**	(2,569)	(23.8)
Utilisation of tax losses previously not recognised	**–**	**–**	(8)	–
Unrecognised tax losses	**4,332**	**28.3**	3,773	34.9
Over-provision for the previous year	**(27)**	**(0.2)**	–	–
Unrecognised deductible temporary differences	**(198)**	**(1.3)**	(801)	(7.4)
Tax credit and effective tax rate for the year	**(27)**	**(0.2)**	(549)	(5.0)

13. LOSS FOR THE YEAR

The Group's consolidated loss attributable to owners of the Company for the year is approximately HK$15,252,000 (2010: loss of HK$10,281,000) of which net loss of approximately HK$5,809,000 (2010: profit of HK$4,912,000) is dealt with the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2011 (2010: HK$ Nil).

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$15,252,000 (2010: loss of HK$10,281,000) and on 5,165,973,933 (2010: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the year ended 30 September 2011 and 2010 was the same as basic loss per share as there were no potential outstanding shares for the year.

16. INVESTMENT PROPERTY

	The Group	
	2011	2010
	HK$'000	HK$'000
Fair value:		
At the beginning of the year	–	13,800
Increase in fair value recognised in the consolidated income statement	–	8,700
Disposal	–	(22,500)
At the end of the year	–	–

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

During the year ended 30 September 2010, 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 is 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 during the year ended 30 September 2010. 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.

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computers and equipment HK$'000	Total HK$'000
Cost:				
At 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 and 1 October 2010	3,191	499	6,219	9,909
Exchange difference	14	–	9	23
Additions	3,177	375	831	4,383
Written off	(2,186)	–	(22)	(2,208)
At 30 September 2011	**4,196**	**874**	**7,037**	**12,107**
Accumulated depreciation and impairment losses:				
At 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 and 1 October 2010	2,282	345	4,983	7,610
Exchange difference	(2)	–	9	7
Charge for the year	840	75	585	1,500
Reversal on written off	(2,031)	–	(15)	(2,046)
At 30 September 2011	**1,089**	**420**	**5,562**	**7,071**
Carrying amounts:				
At 30 September 2011	**3,107**	**454**	**1,475**	**5,036**
At 30 September 2010	909	154	1,236	2,299

18. INTERESTS IN SUBSIDIARIES

	The Company 2011 HK$'000	2010 HK$'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 2011 and 2010 are as follows:

Name of subsidiaries	Place of incorporation/ operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company 2011 % Indirectly held	2010 %	Principal activities
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
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.

19. AMOUNTS DUE FROM SUBSIDIARIES

	The Company	
	2011	2010
	HK$'000	HK$'000
Amounts due from subsidiaries	**13,639**	8,017

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

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**8,051**	19,352	**5,300**	5,300
Disposal	**–**	(10,484)	**–**	–
Fair value change	**(1,155)**	(817)	**–**	–
At the end of the year	**6,896**	8,051	**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))	**946**	2,101	**–**	–
	6,896	8,051	**5,300**	5,300

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 consider that their fair values cannot be measured reliably. During the years ended 30 September 2011 and 2010, the Group identified no impairment loss related to the club debentures.

(b) All of equity securities listed in Hong Kong 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.

21. INVENTORIES

	The Group 2011 HK$'000	2010 HK$'000
Finished goods	**6,562**	4,271
Less: Allowance for obsolete and slow-moving inventories	**(974)**	(871)
	5,588	3,400

22. TRADE RECEIVABLES

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

	The Group 2011 HK$'000	2010 HK$'000
Current	**3,321**	2,038
One to three months overdue	**476**	381
More than three months, but less than twelve months overdue	**44**	17
Over twelve months overdue	**145,850**	145,837
	149,691	148,273
Less: Impairment loss recognised	**(119,924)**	(119,895)
	29,767	28,378

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$26,446,000 (2010: HK$26,340,000) 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:

	The Group 2011 HK$'000	2010 HK$'000
One to three months overdue	**473**	381
More than three months, but less than twelve months overdue	**31**	17
Over twelve months overdue	**25,942**	25,942
	26,446	26,340

22. TRADE RECEIVABLES (CONTINUED)

Notes: (Continued)

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

	The Group 2011 HK$'000	2010 HK$'000
At the beginning of the year	**119,895**	119,895
Impairment loss recognised	**29**	–
At the end of the year	**119,924**	119,895

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

	The Group 2011 HK$'000	2010 HK$'000
One to three months overdue	**3**	–
More than three months, but less than twelve months overdue	**13**	–
Over twelve months overdue	**119,908**	119,895
At the end of the year	**119,924**	119,895

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**1,152**	993	**302**	284
Deposits	**9,600**	8,137	**–**	–
Other receivables	**15,560**	8,022	**818**	–
	26,312	17,152	**1,120**	284
Less:				
Impairment loss recognised	**–**	(5,798)	**–**	–
	26,312	11,354	**1,120**	284

The amounts due from the deregistered subsidiaries of approximately HK$37,565,000 were fully written off as these subsidiaries were deregistered during the year ended 30 September 2011.

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.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Note:

The movement of the allowance for impairment loss of the Group's other receivables is as follows:

	The Group	
	2011	2010
	HK$'000	HK$'000
At the beginning of the year	**5,798**	391,531
Impairment loss recognised	**–**	5,798
Written off	**(5,798)**	(391,531)
At the end of the year	**–**	5,798

24. PLEDGED TIME DEPOSITS

The Group

At 30 September 2011, no fixed deposit was pledged for obtaining banking facilities.

At 30 September 2010, deposits amounted to approximately HK$4,665,000 were pledged to a bank to secure banking facilities granted to the Group, which were carried at the prevailing market interest rate, and therefore classified as current assets. All the pledged deposits were denominated in United States Dollars.

During the year ended 30 September 2011, the pledged deposits were released upon expiry on termination of the banking facilities.

25. CASH AND BANK BALANCES

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**36,873**	76,600	**3,356**	4,190
Short-term time deposits	**17,000**	10,018	**–**	–
Cash and bank balances	**53,873**	86,618	**3,356**	4,190

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:

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong Dollars	**52,932**	86,264	**3,356**	4,190
United States Dollars	**575**	21	**–**	–
New Taiwan Dollars	**360**	327	**–**	–
Others	**6**	6	**–**	–

26. TRADE PAYABLES

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

	The Group	
	2011	2010
	HK$'000	HK$'000
Current and within one month	**1,011**	893
One to three months overdue	**18**	–
Overdue over three months	**24**	74
	1,053	967

27. ACCRUED CHARGES AND OTHER PAYABLES

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued charges	**4,698**	3,623	**1,066**	345
Other payables	**5,035**	4,879	**3,066**	3,400
	9,733	8,502	**4,132**	3,745

Included in other payables of the Group and the Company was an amount of approximately HK$487,000 (2010: HK$487,000) due to a Director. The amount was unsecured, interest-free and has no fixed terms of repayment.

28. DEFERRED TAX LIABILITIES

The Group

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

	Revaluation of property	
	2011	2010
	HK$'000	HK$'000
At the beginning of the year	**–**	801
Credit to consolidated income statement (Note 12)	**–**	(801)
At the end of the year	**–**	–

At 30 September 2011, the Group had cumulative tax losses of approximately HK$187,953,000 (2010: HK$161,700,000) available for offsetting against future profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of HK$187,953,000 (2010: HK$161,700,000) due to uncertainty of future profit streams.

28. DEFERRED TAX LIABILITIES (CONTINUED)

The Company

At 30 September 2011, the Company has estimated unused tax losses of approximately HK$145,570,000 (2010: HK$136,206,000) 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.

29. SHARE CAPITAL

	The Group and The Company 2011 and 2010 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

30. RESERVES

The Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2009	648,897	160	(667,598)	(18,541)
Total comprehensive income for the year	–	–	4,912	4,912
At 30 September 2010 and 1 October 2010	648,897	160	(662,686)	(13,629)
Total comprehensive loss for the year	–	–	(5,809)	(5,809)
At 30 September 2011	**648,897**	**160**	**(668,495)**	**(19,438)**

At 30 September 2011, the Company has no distributable reserve (2010: 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.

31. EMPLOYEE BENEFIT EXPENSES

(a) Staff cost

The total staff cost of the Group during the year (including directors and senior management emoluments) is as follows:

	The Group	
	2011	2010
	HK$'000	HK$'000
Salaries and allowances	**19,204**	16,076
Discretionary bonuses	**68**	61
Staff welfare	**352**	286
Contributions to retirement fund	**863**	633
	20,487	17,056

(b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

	Year ended 30 September 2011			
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	18	378
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	18	1,698

31. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (Continued)

	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

31. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (Continued)

Certain Directors have waived emoluments for the year ended 30 September 2011 and 2010 up to the dates of reports:

	Year ended 30 September 2011			From 1 October 2011 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 allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	3,726	186
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	25	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	37	–	–
Mr. Geoffrey William FAWCETT	120	–	–	25	–	–
Mr. Charles Robert LAWSON	120	–	–	25	–	–

	Year ended 30 September 2010			From 1 October 2010 to 17 December 2010		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
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	–	–

31. 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 2011 (2010: HK$ Nil).

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2011 (2010: HK$ Nil).

(c) Five highest paid individuals

The five individuals with the highest emoluments in the Group for the year included no (2010: no) Directors whose emoluments are set out in note 31(b). The aggregate of the emoluments payable in respect of the five (2010: five) highest paid individuals during the year are as follows:

	The Group	
	2011	2010
	HK$'000	HK$'000
Basic salaries and allowances	**2,818**	2,627
Contributions to retirement fund	**131**	131
	2,949	2,758

	Number of individual	
	2011	2010
Emolument bands:		
Nil to HK$1,000,000	**5**	5

32. 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.

32. SHARE OPTION SCHEME (CONTINUED)

(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.

(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.

33. 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 31(b), is as follows:

	The Group	
	2011	2010
	HK$'000	HK$'000
Salaries and allowances	**1,680**	1,680
Contributions to retirement fund	**18**	20
	1,698	1,700

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

	The Group	
	2011	2010
	HK$'000	HK$'000
Within one year	**4,040**	4,447
In the second to fifth years, inclusive	**2,818**	6,712
	6,858	11,159

35. DEREGISTRATION OF SUBSIDIARIES

For the year ended 30 September 2011, three (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:

	2011	2010
	HK$'000	HK$'000
Accrued charges and other payables	**37,565**	5,813
Exchange reserve realised upon deregistration	**–**	(446)
Gains on deregistration of subsidiaries (note 10)	**37,565**	5,367

Amounts due to the Group of approximately HK$37,565,000 (2010: HK$5,798,000) was included in accrued charges and other payables of the deregistration of subsidiaries.

36. CONTINGENT LIABILITIES

The Group and the company did not have any significant contingent liabilities at the end of the reporting periods.

37. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 15 December 2011.

Five-Year Financial Summary

For the year ended 30 September 2011

	For the year ended 30 September				
	2011	2010	2009	2008	2007
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
					(Restated)
Results					
Turnover	**38,898**	32,424	30,927	676,356	1,315,279
(Loss)/profit before taxation	**(15,279)**	(10,830)	2,382	(171,432)	(49,636)
Taxation	**27**	549	(297)	12	165
(Loss)/profit attributable to owners of the Company	**(15,252)**	(10,281)	2,085	(171,420)	(49,471)
Dividends	**–**	–	–	–	–

	At 30 September				
	2011	2010	2009	2008	2007
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Investment property	**–**	–	13,800	12,000	12,000
Property, plant and equipment	**5,036**	2,299	1,624	3,983	4,311
Intangible assets	**–**	–	–	29,381	36,341
Available-for-sale financial assets	**6,896**	8,051	19,352	12,301	12,301
Net current assets	**51,761**	71,701	64,147	33,476	197,749
	63,693	82,051	98,923	91,141	262,702
Equity attributable to owners of the Company	**63,693**	82,051	98,122	90,637	262,168
Deferred tax liabilities	**–**	–	801	504	534
	63,693	82,051	98,923	91,141	262,702

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