大誠電訊科技有限公司
T S Telecom Technologies Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8003)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors of T S Telecom Technologies Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to T S Telecom Technologies Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

For the fiscal year ended 31st March 2007, the Group recorded a total turnover of approximately HK$22,198,000 and loss attributable to equity holders of the Company of approximately HK$11,631,000.

The directors do not recommend the payment of a dividend for the fiscal year ended 31st March 2007.

RESULTS

The Board of Directors (the "Board") of T S Telecom Technologies Limited announced the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March 2007 together with the comparative audited consolidated results for the year ended 31st March 2006 as follows:

AUDITED CONSOLIDATED INCOME STATEMENT

	Note	**2007** *HK$'000*	2006 *HK$'000*
Turnover	*2*	**22,198**	23,187
Cost of sales		**(9,445)**	(11,645)
Gross profit		**12,753**	11,542
Other income	*2*	**4,110**	12,155
Selling and distribution costs		**(575)**	(724)
Administrative expenses		**(26,698)**	(27,277)
Other operating expenses		**(1,465)**	(9,317)
Loss from operations		**(11,875)**	(13,621)
Finance costs	*3*	**(468)**	(174)
Share of results of associate		**650**	203
Loss before tax	*4*	**(11,693)**	(13,592)
Income tax	*5*	**62**	(28)
LOSS FOR THE YEAR		**(11,631)**	(13,620)
Loss attributable to equity holders of the Company		**(11,631)**	(13,620)
Dividends		**–**	–
Loss per share			
- Basic	*6*	**3.55 cents**	4.83 cents
- Diluted	*6*	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2007

	Note	2007	2006
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**111**	7,912
Prepaid lease payments		**-**	4,008
Interests in associate		**13,634**	13,436
		13,745	25,356
CURRENT ASSETS			
Inventories		**725**	3,126
Trade and other receivables	7	**980**	6,502
Amount due from related company		**216**	94
Cash and bank deposits		**643**	3,420
		2,564	13,142
Assets classified as held for sale	*9*	**17,906**	-
		20,470	13,142
CURRENT LIABILITIES			
Bank and other loans		**(1,000)**	(5,764)
Trade and other payables	8	**(4,667)**	(14,949)
Amount due to directors		**(2,389)**	(895)
Income tax payable		**-**	(65)
		(8,056)	(21,673)
Liabilities associated with assets classified as held for sale	*9*	**(15,982)**	-
		(24,038)	(21,673)
NET CURRENT LIABILITIES		**(3,568)**	(8,531)
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,177**	16,825
NON-CURRENT LIABILITIES			
Bank and other loans		**-**	(1,590)
NET ASSETS		**10,177**	15,235
CAPITAL AND RESERVES			
Share capital		**33,860**	28,220
Reserves		**(23,683)**	(12,985)
TOTAL EQUITY		**10,177**	15,235

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2007

	Share capital	Share premium	PRC statutory reserves	Merger difference	Translation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2005	28,220	96,616	7,658	(250)	-	(104,104)	28,140
Exchange differences arising on translation of foreign operations	-	-	-	-	715	-	715
Transfers between reserves	-	-	150	-	-	(150)	-
Loss for the year	-	-	-	-	-	(13,620)	(13,620)
At 31 March 2006	28,220	96,616	7,808	(250)	715	(117,874)	15,235
At 1 April 2006	28,220	96,616	7,808	(250)	715	(117,874)	15,235
Exchange differences arising on translation of foreign operations	-	-	196	-	455	-	651
Issue of ordinary shares	5,640	282	-	-	-	-	5,922
Loss for the year	-	-	-	-	-	(11,631)	(11,631)
At 31 March 2007	33,860	96,898	8,004	(250)	1,170	(129,505)	10,177

Notes:

(1) **Basis of preparation**

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs", which include Hong Kong Accounting Standards (HKASs") and Interpretations ("HK-Int")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The financial statements have been prepared under the historical cost convention.

Going concern

The Group has net current liabilities of approximately HK$3,568,000 as at 31 March 2007 and sustained a loss attributable to equity holders of approximately HK$11,631,000 for the year ended 31 March 2007. Notwithstanding that, the financial statements have been prepared on the assumption that the Group will continue to operate as a going concern for the foreseeable future.

(2) **Turnover, other income and segment information**

The Group is principally engaged in the assembly, distribution and integration of telecommunications products, gas turbine generators and biotechnology products. Revenue recognised during the year are as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Sales of goods, net of discounts and value-added tax	**22,198**	23,187
Other income		
Bank interest income	**259**	40
Gain on disposal of property, plant and equipment and leasehold interests in land	**2,252**	116
Reversal of engineering service fee over-provided	**1,546**	1,747
Reversal of impairment loss of trade and other receivables	**53**	286
Waiver of trade payable to associate	**-**	9,814
Write-back of other payables	**-**	152
	4,110	12,155

(a) Business segments

The Group is currently organised into 3 major business divisions – (i) telecommunication products, (ii) gas turbine generators and (iii) biotechnology products. There are no sales or other transactions between these business divisions. These business divisions are the basis on which the Group reports its primary segment information as presented below:-

Income statement for the year ended 31 March 2007

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Others HK$'000	Total HK$'000
Turnover	21,655	-	31	512	**22,198**
Segment results	(7,855)	(45)	(2,523)		**(10,423)**
Unallocated interest income					**259**
Unallocated corporate expenses					**(1,711)**
Operating loss					**(11,875)**
Finance costs					**(468)**
Share of results of associate					**650**
Loss before tax					**(11,693)**
Income tax					**62**
Loss for the year					**(11,631)**

a) Business segments (continued)

Balance sheet as at 31 March 2007

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Total HK$'000
Assets:				
Segment assets	19,302	-	1,039	**20,341**
Interests in associate				**13,634**
Unallocated corporate assets				**240**
Total assets				**34,215**
Liabilities:				
Segment liabilities	18,107	11	399	**18,517**
Unallocated corporate liabilities				**5,521**
Total liabilities				**24,038**

Other information for the year ended 31 March 2007

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Total HK$'000
Capital expenditure	81	-	199	**280**
Depreciation and amortisation	1,121	-	230	**1,351**
Provision for impairment loss of trade and other receivables	209	-	-	**209**
Provision for impairment loss of inventories	1,256	-	-	**1,256**

(a) Business segments (continued)

Income statement for the year ended 31 March 2006

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Others HK$'000	Total HK$'000
Turnover	22,122	579	272	214	23,187
Segment results	(12,062)	(63)	(643)		(12,768)
Unallocated interest income					40
Unallocated corporate expenses					(893)
Operating loss					(13,621)
Finance costs					(174)
Share of results of associate					203
Loss before tax					(13,592)
Income tax					(28)
Loss for the year					(13,620)

(a) Business segments (continued)

Balance sheet as at 31 March 2006

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Total HK$'000
Assets:				
Segment assets	20,834	-	808	21,642
Interests in associate				13,436
Unallocated corporate assets				3,420
Total assets				38,498
Liabilities:				
Segment liabilities	13,690	-	2,154	15,844
Unallocated corporate liabilities				7,419
Total liabilities				23,263

Other information for the year ended 31 March 2006

	Telecommunication products HK$'000	Gas turbine generators HK$'000	Biotechnology products HK$'000	Others HK$'000	Total HK$'000
Capital expenditure	121	-	743	-	864
Depreciation and amortisation	1,753	2	-	44	1,799
Provision for impairment loss of trade and other receivables	6,320	-	-	-	6,320
Provision for impairment loss of inventories	2,997	-	-	-	2,997

(b) Geographical segments

The Group's 3 major business divisions operate in 3 principal geographical areas – (i) the People's Republic of China excluding Hong Kong (the "PRC"), (ii) Hong Kong and (iii) other Asia Pacific countries. These geographical areas are the basis on which the Group reports its secondary segment information as presented below:-

For the year ended 31 March 2007

	Turnover HK$'000	Segment results HK$'000	Total assets HK$'000	Capital expenditure HK$'000
PRC	21,686	5,582	19,977	21
Hong Kong	512	(17,213)	603	259
Other Asia Pacific countries	-	-	1	-
	22,198	(11,631)	20,581	280
Interests in associate	-	-	13,634	-
Unallocated	-	-	-	-
Total	**22,198**	**(11,631)**	**34,215**	**280**

For the year ended 31 March 2006

	Turnover HK$'000	Segment results HK$'000	Total assets HK$'000	Capital expenditure HK$'000
PRC	22,641	(8,852)	24,485	825
Hong Kong	546	(4,327)	576	39
Other Asia Pacific countries	-	131	1	-
	23,187	(13,048)	25,062	864
Interests in associate	-	-	13,436	-
Unallocated	-	(572)	-	-
Total	23,187	(13,620)	38,498	864

(3) **Finance costs**

	2007 HK$'000	2006 HK$'000
Interest on secured bank loans wholly repayable within 5 years	**306**	174
Interest on other secured loans wholly repayable within 5 years	**162**	-
	468	174

(4) **Loss before tax**

Loss before tax has been arrived at after charging:

	2007 HK$'000	2006 HK$'000
Staff costs (including directors' remuneration)		
- Included in selling and distribution costs	**173**	192
- Included in administrative expenses	**12,814**	13,074
	12,987	13,266
Inventories recognised as an expense		
- Carrying amount of inventories sold	**8,896**	7,689
- Impairment loss of inventories	**1,256**	2,997
	10,152	10,686
Auditors' remuneration	**300**	330
Research and development costs	**549**	317
Depreciation and amortisation	**1,351**	1,799
Operating lease rentals in respect of land and buildings	**1,539**	1,205
Impairment loss of trade and other receivables	**209**	6,320
Net foreign exchange loss	**76**	12

(5) **Income tax**

	2007	2006
	HK$'000	HK$'000
Current tax:		
Hong Kong	**54**	-
Other jurisdictions	**8**	(28)
Deferred tax	**-**	-
Tax income/(expense) for the year	**62**	(28)

The tax income/(expense) for the year can be reconciled to the accounting profit/(loss) as follows:-

	2007	2006
	HK$'000	HK$'000
Loss before tax and before share of results of associate	**(12,343)**	(13,795)
Notional tax on profit/(loss) before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	**1,765**	2,414
Tax effect of expenses not deductible and tax loss not recognised	**(2,804)**	(2,442)
Tax effect of utilisation of tax loss not previously unrecognised	**1,047**	-
Tax over-provided in previous year(s)	**65**	-
Tax under-provided in previous year(s)	**(11)**	-
Tax income/(expense) for the year	**62**	(28)

Hong Kong profits tax is calculated at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax liabilities have been recognised in the financial statements as the Group and the Company did not have material temporary differences as at 31 Mach 2007 and 2006.

No deferred tax asset has been recognised in the financial statements in respect of tax losses available to offset future profits due to the unpredictability of future profit streams against which the asset can be utilised. The unrecognised deferred tax asset of the Group in respect of temporary difference attributable to unutilised tax losses at the balance sheet date amounted to approximately HK$12,009,000 (2006: HK$12,371,000).

(6) **Loss per share**

The calculation of basic loss per share is based on the following data:-

	2007	2006
	HK$'000	HK$'000
Loss for the year	**(11,631)**	(13,620)
	'000	'000
Number of ordinary shares:		
Issued ordinary shares at beginning of the year	**282,196**	282,196
Effect of shares issued under a placing agreement	**45,275**	-
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**327,471**	282,196

There is no diluted loss per share since the Company has no dilutive potential ordinary shares in issue for both the years ended 31 March 2007 and 2006.

(7) **Trade and other receivables**

An aged analysis of trade and other receivables is as follows:-

	The Group	
	2007	2006
	HK$'000	HK$'000
Within 6 months	**254**	2,423
Over 6 months but within 1 year	**-**	125
Over 1 year but within 2 years	**-**	3,589
Over 2 years	**-**	12,060
	254	18,197
Provision for impairment loss	**-**	(12,440)
	254	5,757
Other receivables, prepayments and deposits	**726**	745
	980	6,502

Provision for impairment loss had been made against those amounts which were either long-outstanding or considered irrecoverable.

(8) **Trade and other payables**

An aged analysis of the trade and other payables is as follows:-

	The Group	
	2007	2006
	HK$'000	HK$'000
Within 30 days	**221**	302
31 – 60 days	**28**	497
61 – 90 days	**-**	264
91 – 180 days	**18**	15
Over 180 days	**104**	1,928
	371	3,006
Other payables and accrued charges	**4,296**	11,943
	4,667	14,949

(9) **Assets classified as held for sale and associated liabilities**

The Company entered into an agreement on 22 January 2007 with Mr. Lau See Hoi ("Mr. Lau"), who is the chairman and chief executive officer of the Company, under which the Company had conditionally agreed to sell and Mr. Lau had conditionally agreed to purchase the Company's interests in the entire issued share capital of and the advances to a group of companies (the "Disposal Group"), after completion of a corporate restructuring, at a total consideration of HK$3 million (the "Transaction"). The Transaction was then approved by the independent shareholders of the Company at an extraordinary general meeting held on 5 March 2007. The Transaction has not yet been completed at 31 March 2007 while the corporate restructuring is in progress. The major classes of assets and liabilities of the Disposal Group classified as held for sale at the balance sheet date are as follows:-

	The Group	
	2007	2006
	HK$'000	HK$'000
Property, plant and equipment	**5,295**	-
Prepaid lease payments	**2,281**	-
Inventories	**4,148**	-
Trade and other receivables	**4,188**	-
Cash and bank deposits	**1,994**	-
Assets classified as held for sale	**17,906**	-
Bank overdraft	**(47)**	
Bank and other loans	**(5,287)**	-
Trade and other payables	**(9,982)**	-
Amount due to directors	**(533)**	-
Amount due to related company	**(122)**	-
Income tax payable	**(11)**	-
Liabilities associated with assets classified as held for sale	**(15,982)**	-
Net assets of the Disposal Group classified as held for sale	**1,924**	-

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the fiscal year ended 31st March 2007, the Group reported a total turnover of approximately HK$22,198,000 and loss attributable to equity holders of the Company of approximately HK$11,631,000 as compared to a turnover of approximately HK$23,187,000 and a loss of approximately HK$13,620,000 in the previous year.

Our gross margin was 57.5% for the current fiscal year as compared to a gross margin of 49.8% for the last fiscal year.

The Group posted a loss attributable to equity holders of the Company of approximately HK$11,631,000 for the fiscal year, which was 14.6% lower from the net loss attributable to equity holders of the Company incurred for the last fiscal year. The reduction of the net loss was mainly attributable to the increase in share of results of associate, together with the decrease in selling and distribution costs, administrative expenses and other operating expenses.

Other income mainly consisted of gain on disposal of property, plant and equipment and leasehold interests in land of approximately HK$2,252,000 and reversal of engineering services fee over-provided of approximately HK$1,546,000.

During the current fiscal year, the Group continued to control selling and distribution costs and administrative expenses tightly. Selling and distribution costs declined by 20.6% and administrative expenses declined by 2.1%, as compared with the last fiscal year.

Segment Information

Sales from the telecommunications products, the gas turbine generators and the biotechnology products and others accounted for 97.55%, 0%, 0.14%, and 2.31% respectively of the turnover of the Group for the year ended 31st March 2007.

Mainland China Market

Business of from the Mainland China accounted for approximately 98% of the Group's turnover for the year ended 31st March 2007.

Other Asia Pacific Countries and Other Markets

Business from outside of China now accounted for approximately 2% of the total turnover.

Telecommunication Products

The turnover and the operating loss of telecommunications products for the current year was approximately HK$21,655,000 and approximately HK$7,855,000, respectively, as compared to the turnover and operating loss of approximately HK$22,122,000 and approximately HK$12,062,000 respectively for the preceding year.

During the year, the Group continued to encounter pressure from customers demanding for concession of contract terms including lower pricing and longer payment period, causing the Group to take a longer time required to close and sign contracts. It was quite clear that the business environment of the telecom monitoring equipment industry of China has become unfavorable and competitive. The Company has conditionally agreed to dispose of the subsidiaries engaging in the assembly, distribution and integration of telecommunications products which have been operating at a loss for the past few years and are not expected to generate any profit in the near future. To avoid duplication and accumulation of marketing costs by using multiple sales vehicle and further depletion of the Group's resources in telecom manufacturing, the Directors (including the independent non-executive directors) of the Company consider it is best for the Group to dispose of those loss-making subsidiaries to Mr. Lau See Hoi and concentrate their effort on telecom trading businesses.

Gas Turbine Generators

During the year, there is no sale of gas turbine generator, even though the Group continued to implement aggressive marketing strategies to promote the sale of gas turbine generators in the telecom, petroleum and other industries. The Company has conditionally agreed to dispose of this business to Mr. Lau See Hoi.

Biotechnology products

During the year, there is tiny sale of biotechnology products, even though the Group has made the great effort to promote the products in the PRC and North American market. The Company has conditionally agreed to dispose of this business to Mr. Lau See Hoi.

Liquidity, Financial Resources and Capital Structure

As at 31st March 2007, the Group's cash balance of approximately HK$2,637,000 has declined when compared with the cash balance of approximately HK$3,420,000 of last year.

As at 31st March 2007, the Group's net current liabilities were approximately HK$3,568,000, the directors have taken active measures to improve the liquidity and financial position of the Group during the year ended 31st March 2007 and subsequently. On 22nd January 2007, the Company (as Vendor) and Mr. Lau See Hoi (as Purchaser) entered into a Sale and Purchase Agreement pursuant to which the Company has conditionally agreed to dispose of and Purchaser has conditionally agreed to acquire the entire issued share capital of (a) T S Telecom (B.V.I.) Ltd. and its subsidiaries comprised T S International Company Limited, TSTT (Canada) Ltd., T S International Ltd., T S Electric and Power Co., Ltd., T S Telecom (Shenzhen) Co., Ltd., Ying Zhi Xun Telecom Equipment (Shenzhen) Co., Ltd., and (b) T S Bio-Medical (B.V.I.) Ltd. and its subsidiaries comprised T S Bio-Technology Ltd. and T S Bio-Technology (Wuhan) Co., Ltd. (as Disposal Group) and the Advances to Disposal Group upon completion of the Corporate Restructuring for a cash consideration of HK$3,000,000. Moreover, on 30th April 2007, an Offeror entered into the Agreement with a substantial shareholder of the Company, T S Telecom Limited ("Vendor"), pursuant to which the Offeror has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares at an aggregate consideration of HK$ 5,000,000 and the Offeror has undertaken to settle all actual or contingent liabilities of the Company that exist on the date of Completion. Both of which can substantially reduce the Company's liabilities. Therefore, the directors are of the view that the Group will have sufficient working capital for the foreseeable future.

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. The Group adopted a conservative treasury policy with almost all bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks. As at 31st March 2007, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. For the year ended 31st March 2007, the Company allotted and issued 56,400,000 new Placing shares on 12th June 2006 to not fewer than six independent investors to raise additional capital and received a net proceeds of approximately HK$5,300,000.

Gearing Ratio

The Group's gearing ratio, which was defined as the ratio of total borrowings to shareholders' equity, increased to 62.24% from 48.3% of the previous year.

Future Plans for Material Investments

As at 31st March 2007, the Group had not authorized or contracted for any capital expenditure commitments and had no future plans for material investments in capital assets.

Material Acquisition and Disposals

The Group did not have any material acquisitions or disposals of major subsidiaries and affiliated companies for the year ended 31st March 2007.

Contingent Liabilities

As at 31st March 2007, the Group did not have any material contingent liabilities.

Subsequent Events

On 30th April 2007, an Offeror entered into the Agreement with a substantial shareholder of the Company, T S Telecom Limited ("Vendor"), pursuant to which the Offeror has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares at an aggregate consideration of HK$5,000,000 and the Offeror has undertaken to settle all actual or contingent liabilities of the Company that exist on the date of Completion.

Foreign Exchange Exposure

Since most of the transactions of the Group were denominated in Renminbi or HK dollars, the Group did not experience any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review.

Employees and Remuneration Policy

As at 31st March 2007, the Group employed 130 staff in the PRC and Hong Kong, representing a decrease of 24 staff from 31st March 2006. Accordingly, the Group's remuneration to employees, including directors' emoluments, decreased by approximately HK$279,000 to approximately HK$12,987,000 for the current fiscal year.

The Group reviewed employee's remuneration from time to time and salary adjustment was normally made on an annual basis. Special adjustment based on length of service and good performance could be made at any time when warranted. In addition to salaries, the Group provided employee's benefits such as medical insurance and provident fund. Share options and bonuses were also available to employees of the Group at the discretion of the directors and depending upon the financial performance of the Group.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period, except for 56,400,000 new Placing Shares which were allotted and issued on 12th June 2006 and disclosed under Notes to the Financial Statements 2(a) of our Annual Report 2006.

Code on Corporate Governance Practices

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 15 of the GEM Listing Rules for the year ended 31st March 2007, except for the following deviations:

(i) There is no division of roles of chairman and chief executive officer that both offices are held by Mr. Lau See Hoi

Code Provision A.2.1.

The Company considers that the combination of the roles of chairman and chief executive officer can effectively formulate and implement the Company's strategies. The Company considers that under the supervision of its Board and its Independent Non-executive Directors, a balancing mechanism exists so that the interests of the shareholders are adequately and fairly represented.

Remuneration Committee

A remuneration committee was established on 11th November 2005 with written terms of reference in accordance with the code provision B.1.1 of the CG Code. The remuneration committee comprises one executive director, namely, Mr. Lau See Hoi (Mr. Wong Kai Tat as his alternate) and the two independent non-executive directors, namely, Mr. Sze Tsai Ping, Michael and Mr. Kwan Kai Cheong (chairman of the remuneration committee).

Audit Committee

The audit committee comprises three independent non-executive directors, namely Mr. Sze Tsai Ping, Michael (chairman of the audit committee), Ms. Hui Sin Man, Alice, and Mr. Kwan Kai Cheong. On 11th November 2005, the Company adopted new terms of reference for the audit committee to include such duties as are stipulated in code provision C.3.3 of the CG Code.

The primary duties of the audit committee are to review and supervise the financial report process and internal control system of the Group and to review the Company's annual reports and financial statements, and interim and quarterly reports and the connected transactions. The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

Code of Conduct for Securities Transactions By Directors

The Company has adopted the code for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company confirmed that, having made specific enquiry from all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the year ended 31st March 2007.

By Order of the Board
T S Telecom Technologies Limited
Lau See Hoi
Chairman

Hong Kong, 28th June 2007

As at the date of this announcement, the Directors of the Company are as follows:

Executive directors:	*Independent non-executive directors:*
Lau See Hoi (*Chairman and Chief Executive Officer*)	Sze, Tsai Ping Michael
Wong Kai Tat	Hui, Sin Man Alice
	Kwan Kai Cheong

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the day of its posting.