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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The Directors of ABC Communications (Holdings) Limited ("the Company") announce the consolidated statement of comprehensive income and statement of financial position of the Company and its subsidiaries ("the Group") for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Notes	**2011** *HK$*	2010 *HK$*
Turnover	*3*	**103,409,027**	130,257,679
Cost of sales		**(86,430,256)**	(110,163,802)
Gross profit		**16,978,771**	20,093,877
Other income	*4*	**56,813**	4,624
Liquidated damage for termination of acquisition	*12*	**22,300,000**	–
Fair value (losses) gains on derivative financial assets	*15*	**(19,015,589)**	7,926,637
Fair value gains on derivative financial liabilities	*15*	**1,419,623**	85,872
Other gains – net	*5*	**174,266**	227,082
Selling and distribution costs		**(1,472,648)**	(1,378,852)
General and administrative expenses		**(26,003,888)**	(21,562,596)
Finance costs	*6*	**(16,793,153)**	(8,317,385)
Loss before tax	*7*	**(22,355,805)**	(2,920,741)
Income tax expense	*8*	**–**	–
Loss for the year		**(22,355,805)**	(2,920,741)

	Notes	**2011** HK$	2010 HK$
Other comprehensive income			
Release of exchange reserve upon deregistration of a subsidiary		**–**	68,010
Exchange differences arising on translation of foreign operations		**23,957**	–
Other comprehensive income for the year		**23,957**	68,010
Total comprehensive expense for the year		**(22,331,848)**	(2,852,731)
Loss for the year attributable to:			
Owners of the Company		**(23,143,675)**	(5,266,108)
Non-controlling interests		**787,870**	2,345,367
		(22,355,805)	(2,920,741)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(23,119,718)**	(5,198,098)
Non-controlling interests		**787,870**	2,345,367
		(22,331,848)	(2,852,731)
Losses per share			
Basic and diluted	9	**(4.56) cents**	(1.13) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2011

	Notes	2011 HK$	2010 HK$
Non-current assets			
Property, plant and equipment		**1,090,906**	1,601,441
Deposits paid for acquisition of property, plant and equipment		**654,531**	–
		1,745,437	1,601,441
Current assets			
Trade receivables	*10*	**7,943,012**	8,542,526
Other receivables, deposits and prepayments	*11*	**24,917,515**	2,642,336
Deposit paid for acquisition of subsidiaries	*12*	**130,000,000**	130,000,000
Derivative financial assets		**109,000**	21,807,425
Bank balances and cash		**29,069,220**	31,997,595
		192,038,747	194,989,882
Current liabilities			
Trade and other payables	*13*	**15,121,205**	15,428,481
Advance subscriptions and licence fees received		**3,314,960**	3,266,698
Amount due to a substantial shareholder	*14*	**28,182,385**	–
Amounts due to directors	*14*	**2,482,170**	1,000,000
Derivative financial liabilities		**–**	1,925,220
Convertible bonds	*15*	**14,849,539**	123,801,392
		63,950,259	145,421,791
Net current assets		**128,088,488**	49,568,091
Total assets less current liabilities		**129,833,925**	51,169,532
Capital and reserves			
Share capital	*16*	**5,675,360**	4,775,360
Reserves		**113,169,330**	36,192,807
Equity attributable to owners of the Company		**118,844,690**	40,968,167
Non-controlling interests		**10,989,235**	10,201,365
Total equity		**129,833,925**	51,169,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business at the date of these financial statements is Room 2709-10, 27/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

As at 31 March 2010, the Company's immediate parent and ultimate parent is Asian Gold Dragon Limited ("Asian Gold"), a company incorporated in the British Virgin Islands. Following certain fund raising activities conducted by the Company during the year, Asian Gold's equity interest in the Company was diluted and ceased to have controlling interest over the Company. As at 31 March 2011, the Company did not have a parent.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("Int") (the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvement to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share – based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

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

HKFRS 3 (Revised) Business Combinations

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

As there was no transaction during the current year and prior year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

Standards or interpretations issued 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 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[6]
HKFRS 11	Joint Arrangements[6]
HKFRS 12	Disclosure of Interests in Other Entities[6]
HKFRS 13	Fair Value Measurement[6]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised)	Separate Financial Statements[6]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[6]
HK(IFRIC) – Int 14 (Amendment)	Prepayment of a Minimum Funding Requirement[3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2011.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at 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 fair value at the end of subsequent accounting periods.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognised in other comprehensive income, unless the recognition 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 recognised in profit or loss.

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

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

The disclosure exemptions introduced in HKAS 24 (Revised) 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 standard is applied in future accounting periods. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

3. TURNOVER AND SEGMENT INFORMATION

The Group's operating segments are determined based on the information reported to the chief operating decision maker, being the Board of Directors, for making strategic decisions and allocating resources.

The Group only operates in the financial quotation and securities trading system licensing services during both reporting periods.

Segment revenue and results

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

	Financial quotation and securities trading system licensing		**Total**	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Turnover	**103,409,027**	130,257,679	**103,409,027**	130,257,679
Segment profit	**1,584,410**	4,718,453	**1,584,410**	4,718,453
Unallocated corporate income and gains			**23,894,700**	8,012,509
Unallocated corporate expenses and losses			**(31,041,762)**	(7,334,318)
Finance costs			**(16,793,153)**	(8,317,385)
Loss before tax			**(22,355,805)**	(2,920,741)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by the segment without allocation of liquidated damage for termination of acquisition, fair value (losses) gains on derivative financial assets and liabilities, certain interest income, certain other gains (losses), certain administrative expenses and finance costs.

Segment assets and liabilities

	2011	2010
	HK$	*HK$*
Segment assets		
Financial quotation and securities trading system licensing	**38,704,474**	38,254,184
Unallocated corporate assets	**155,079,710**	158,337,139
Consolidated total assets	**193,784,184**	196,591,323
Segment liabilities		
Financial quotation and securities trading system licensing	**16,277,463**	17,435,072
Unallocated corporate liabilities	**47,672,796**	127,986,719
Consolidated total liabilities	**63,950,259**	145,421,791

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

– As at 31 March 2011 and 2010, all assets are allocated to reportable segments other than certain other receivables and prepayments, deposits paid for acquisition of property, plant and equipment and subsidiaries, derivative financial assets and certain bank balances and cash which are managed on a group basis.

– As at 31 March 2011 and 2010, all liabilities are allocated to reportable segments other than certain other payables, amounts due to a substantial shareholder and directors, derivative financial liabilities and convertible bonds which are managed on a group basis.

Other segment information

	Financial quotation and securities trading system licensing *HK$*	Unallocated *HK$*	Total *HK$*
For the year ended 31 March 2011			
Amounts included in the measure of segment results or segment assets:			
Depreciation of property, plant and equipment	**1,145,056**	**90,290**	**1,235,346**
Additions to non-current assets	**279,622**	**445,189**	**724,811**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:			
Fair value loss on derivative financial assets	**–**	**19,015,589**	**19,015,589**
Fair value gain on derivative financial liabilities	**–**	**(1,419,623)**	**(1,419,623)**
Interest income	**(56,002)**	**(811)**	**(56,813)**
Finance costs	**–**	**16,793,153**	**16,793,153**
Liquidated damages for termination of acquisition	**–**	**(22,300,000)**	**(22,300,000)**
For the year ended 31 March 2010			
Amounts included in the measure of segment results or segment assets:			
Depreciation of property, plant and equipment	1,592,912	–	1,592,912
Additions to non-current assets	630,282	–	630,282
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:			
Fair value gain on derivative financial assets	–	(7,926,637)	(7,926,637)
Fair value gain on derivative financial liabilities	–	(85,872)	(85,872)
Interest income	(4,624)	–	(4,624)
Finance costs	–	8,317,385	8,317,385
Loss on deregistration of subsidiaries	15,114	–	15,114

Geographical information

The Group's operations are mainly located in Hong Kong (country of domicile of major subsidiaries) and the People's Republic of China (the "PRC").

The following tables present the Group's revenue and information about its non-current assets by geographical location.

	Hong Kong		**Elsewhere in the PRC**		**Total**	
	2011 *HK$*	2010 *HK$*	**2011** *HK$*	2010 *HK$*	**2011** *HK$*	2010 *HK$*
For the year ended 31 March						
Segment revenue	**103,409,027**	130,257,679	**–**	–	**103,409,027**	130,257,679
As at 31 March						
Non-current assets	**1,328,851**	1,601,441	**416,586**	–	**1,745,437**	1,601,441

Revenue from major products and services

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

	2011	2010
	HK$	*HK$*
Revenue from financial quotation and securities trading system licensing services	**103,098,657**	129,701,815
Revenue from wireless applications	**310,370**	555,864
	103,409,027	130,257,679

Information about major customers

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

	2011	2010
	HK$	*HK$*
Customer A	**63,700,667**	85,729,726

4. OTHER INCOME

	2011	2010
	HK$	*HK$*
Bank interest income	**56,813**	4,624

5. OTHER GAINS – NET

	2011	2010
	HK$	*HK$*
Waiver of other payables	**–**	237,414
Gain on disposal of property, plant and equipment	**–**	5,000
Loss on deregistration of a subsidiary	**–**	(15,114)
Exchange gains (losses), net	**174,266**	(218)
	174,266	227,082

6. FINANCE COSTS

	2011	2010
	HK$	*HK$*
Imputed interest expenses on convertible bonds	**16,793,153**	8,317,385

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2011	2010
	HK$	*HK$*
Auditor's remuneration		
– Current year	**472,000**	490,000
– Under-provision in prior year	**–**	8,000
Depreciation of property, plant and equipment	**1,235,346**	1,592,912
Employee benefit expenses	**15,558,750**	14,514,688
Minimum lease payments under operating leases in respect of land and buildings	**2,949,154**	2,231,718

8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in both years as the assessable profit are offset by allowable tax losses brought forward.

The tax expense for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follow:

	2011	2010
	HK$	*HK$*
Loss before tax	**(22,355,805)**	(2,920,741)
Calculated at a tax rate of 16.5% (2010: 16.5%)	**(3,688,708)**	(481,922)
Tax effect of income not taxable for tax purpose	**(3,951,523)**	(1,362,000)
Tax effect of expenses not deductible for tax purpose	**7,896,391**	1,504,165
Tax effect of tax losses and temporary difference not recognised	**–**	1,141,033
Utilisation of tax losses previously not recognised	**(256,160)**	(801,276)
Income tax expense	**–**	–

9. LOSSES PER SHARE

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

	2011	2010
	HK$	*HK$*
Loss for the year attributable to owners of the Company	**(23,143,675)**	(5,266,108)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic losses per share	**507,399,014**	467,323,671

The computation of diluted loss per share for the years ended 31 March 2011 and 31 March 2010 does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in a decrease in loss per share.

10. TRADE RECEIVABLES

	2011 HK$	2010 HK$
Trade receivables	**7,943,012**	8,542,526

Trade receivables are due upon the presentation of invoices. As at 31 March 2011, trade receivables of HK$7,943,012 (2010: HK$8,542,526) were past due but not impaired. These related to a number of independent customers from whom there no recent history of default. The Group did not hold any collateral over these balances.

The aging analysis, based on the invoice date, of these trade receivables is as follows:

	2011 HK$	2010 HK$
0 – 3 months	**7,720,662**	8,326,649
4 – 6 months	**188,140**	206,327
Over 6 months	**34,210**	9,550
	7,943,012	8,542,526

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2011 HK$	2010 HK$
Liquidated damage receivable *(note 12)*	**22,300,000**	–
Other receivables, deposits and prepayments	**2,617,515**	2,642,336
	24,917,515	2,642,336

12. DEPOSIT PAID FOR ACQUISITION OF SUBSIDIARIES

On 12 October 2009, the Group entered into an acquisition agreement with an independent third party regarding the acquisition of a gold smelting and refinery business in the PRC (the "Proposed Acquisition"). According to the acquisition agreement, the Group will acquire the entire issued share capital and all shareholders' loans of the target company from the vendor for a total consideration of HK$380 million. A refundable cash deposit (the "Deposit") of HK$130 million has been paid to the vendor during the year ended 31 March 2010.

On 10 January 2011, the Group entered into a deed of termination ("Deed") with that independent third party to terminate the Proposed Acquisition as the vendor cannot fulfil certain conditions precedent thereto. Pursuant to the Deed, the independent third party agreed to return the Deposit together with a liquidated damage of HK$22,300,000 (included in other receivables, deposits and prepayments) to the Group. As at 31 March 2011, the aggregate receivable of HK$152,300,000 remained outstanding and has been substantially settled subsequent to the end of the reporting period.

Details of the transaction have been set out in the Company's announcements dated 11 February 2010 and 10 January 2011.

13. TRADE AND OTHER PAYABLES

	2011	2010
	HK$	*HK$*
Trade payables *(note a)*	**12,103,028**	13,187,887
Other payables and accrued charges	**3,018,177**	1,632,193
Amount due to ultimate holding company *(note b)*	**–**	608,401
	15,121,205	15,428,481

(a) The aging of trade payables were within 3 months as at both 31 March 2011 and 2010.

(b) The amount due to ultimate holding company is unsecured, interest-free and repayable on demand.

(c) An average credit period of 45 days is granted by the service providers. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

14. AMOUNTS DUE TO A SUBSTANTIAL SHAREHOLDER AND DIRECTORS

The amounts are unsecured, interest-free and repayable on demand.

15. CONVERTIBLE BONDS

On 13 December 2010, the Company issued convertible bonds (the "2010 CBs") to several independent third parties in the principal amount of HK$75,050,000 with maturity date on 13 December 2011. The 2010 CBs bears interest of 4% per annum and is unsecured.

The effective interest rate of the liability component is 9.29%.

The principal terms of the 2010 CBs are as follow:

– Conversion rights are exercisable at any time during the period commencing from the date of issue of the 2010 CBs up to (but excluding) the maturity date.

– The holders of the 2010 CBs are entitled to convert the 2010 CBs into ordinary shares of the Company at an initial conversion price of HK$0.95 per ordinary share.

– If any of the 2010 CBs has not been converted, it will be redeemed on the maturity date at a redemption amount equal to 104% of the principal amount of such 2010 CBs.

– At any time up to the maturity date, the Company may by notice redeem whole or part of the outstanding 2010 CBs at an amount equal to 104% of the principal amount of such 2010 CBs.

– The 2010 CBs holders are not entitled to request for early redemption except for event of default occurred.

The 2010 CBs contains three components: liability component, equity component and derivative component.

The Company's early redemption option embedded in the 2010 CBs was presented in the consolidated statement of financial position as "Derivative financial assets" at 31 March 2011 and was measured at fair value with changes in fair value recognised in profit or loss.

The 2010 CBs in the principal amount of HK$59,850,000 were converted into 63,000,000 new ordinary shares of the Company during the year ended 31 March 2011. As at 31 March 2011, the principal amount of 2010 CBs remained outstanding is HK$15,200,000 of which 16,000,000 potential shares will be issued upon their conversions.

On 9 December 2009, the Company issued convertible bonds (the "2009 CBs") to independent third parties in the principal amount of HK$150,000,000 with maturity date on 9 December 2010. The 2009 CBs bears no coupon interest and is unsecured.

The effective interest rate of the liability component is 21.35%.

The principal terms of the 2009 CBs are as follow:

– Conversion rights are exercisable at any time during the period commencing from the beginning of the fourth month from the date of issue of the 2009 CBs up to (but excluding) the period of five business days ending on the maturity date.

– The holders of the 2009 CBs are entitled to convert the 2009 CBs into ordinary shares of the Company at an initial conversion price of HK$2 per ordinary share.

– If any of the 2009 CBs has not been converted, it will be redeemed on the maturity date at a redemption amount equal to 110% of the principal amount of such 2009 CBs.

– During the period commencing from the beginning of the fourth month from the date of issue up to the maturity date, the Company may by notice redeem whole or part of the outstanding 2009 CBs at an amount equal to 130% of the principal amount of such 2009 CBs.

– During the period commencing from the beginning of the fourth month from the date of issue up to the maturity date, the holder of 2009 CBs may request the Company to redeem such amount of the outstanding 2009 CBs at an amount equal to 110% of such 2009 CBs.

The 2009 CBs contains three components: liability component, equity component and derivative component.

The Company's and the 2009 CBs holders' early redemption options embedded in the CB were presented in the consolidated statement of financial position as "Derivative financial assets" and "Derivative financial liabilities" respectively at 31 March 2010 and was measured at fair value with changes in fair value recognised in profit or loss.

The 2009 CBs in the principal amount of HK$21,300,000 were converted into 10,650,000 new ordinary shares of the Company on 16 March 2010. As at 31 March 2010, the principal amount of 2009 CBs remained outstanding was HK$128,700,000 of which 64,350,000 potential shares can be issued upon conversion of the remaining 2009 CBs.

During the year ended 31 March 2011, 2009 CBs with aggregate principal amount of HK$22,000,000 were converted into 11,000,000 new ordinary shares of the Company. The remaining 2009 CBs with principal amount of HK$106,700,000 were redeemed by the Company at HK$117,370,000.

The movements of the liability, equity and derivatives components of the convertible bonds during the reporting period are set out below:

	Liability	**Derivatives financial assets**	**Derivatives financial liabilities**	**Equity**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
As at 1 April 2009	–	–	–	–	–
Issued during the year	143,129,771	(17,653,693)	2,368,745	22,155,177	150,000,000
Transaction costs	(7,156,489)	–	–	(343,511)	(7,500,000)
Changes in fair value	–	(7,926,637)	(85,872)	–	(8,012,509)
Conversion to shares during the year	(20,489,275)	3,772,905	(357,653)	(3,097,257)	(20,171,280)
Imputed interest expense	8,317,385	–	–	–	8,317,385
As at 31 March 2010 and 1 April 2010	123,801,392	(21,807,425)	1,925,220	18,714,409	122,633,596
Issued during the year	73,349,000	(1,111,000)	–	2,812,000	75,050,000
Transaction costs	(1,931,459)	–	–	(44,791)	(1,976,250)
Changes in fair value	–	19,015,589	(1,419,623)	–	17,595,966
Conversion to shares during the year	(79,792,547)	3,793,836	(505,597)	(5,405,807)	(81,910,115)
Redemption of convertible bonds	(117,370,000)	–	–	(15,515,365)	(132,885,365)
Imputed interest expense	16,793,153	–	–	–	16,793,153
As at 31 March 2011	**14,849,539**	**(109,000)**	**–**	**560,446**	**15,300,985**

2010 CBs

At the date of issue and conversions of the 2010 CBs, and at 31 March 2011, the fair values of the derivative financial asset were valued by the Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. The fair values of the derivative financial assets are calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	At 31.3.2011	On conversions	(Date of issue) At 13.12.2010
Share price	**HK$0.77**	HK$0.92 – HK$0.93	HK$0.89
Conversion price	**HK$0.95**	HK$0.95	HK$0.95
Expected volatility *(note a)*	**6.14%**	6.65% – 6.81%	7.11%
Expected life *(note b)*	**257 Days**	302 Days – 333 Days	365 Days
Risk free rate *(note c)*	**0.27%**	0.28% – 0.30%	0.55%
Expected dividend yield *(note d)*	**Nil**	Nil	Nil

2009 CBs

At 31 March 2010 and dates of conversion of the 2009 CBs during year ended 31 March 2011, the fair values of the derivative financial assets and liabilities were valued by the Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group. The fair values of the derivative financial assets and liabilities are calculated using the Trinomial Tree Pricing Model. The inputs into the model were as follows:

Year ended 31 March 2011	On conversions
Share price	HK$1.52 – HK$2.04
Conversion price	HK$2.00
Expected volatility *(note a)*	104.10% – 112.75%
Expected life *(note b)*	206 Days – 245 Days
Risk free rate *(note c)*	0.15% – 0.17%
Expected dividend yield *(note d)*	Nil

		(On conversion)	(Date of issue)
Year ended 31 March 2010	At 31.3.2010	At 16.3.2010	At 9.12.2009
Share price	HK$2.18	HK$2.25	HK$2.93
Conversion price	HK$2.00	HK$2.00	HK$2.00
Expected volatility *(note a)*	112.65%	113.93%	116.39%
Expected life *(note b)*	253 Days	268 Days	365 Days
Risk free rate *(note c)*	0.17%	0.20%	0.11%
Expected dividend yield *(note d)*	Nil	Nil	Nil

Notes:

(a) Expected volatility was determined by calculating the historical volatility of bond price (2010: the Company's share price).

(b) Expected life was the expected remaining life of the convertible bonds.

(c) The risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes.

(d) The expected dividend yield was based on the historical dividend payment record of the Company.

16. SHARE CAPITAL

	2011		2010	
	No. of shares	**Amount** *HK$*	No. of shares	Amount *HK$*
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000,000**	6,000,000,000	60,000,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of year	**477,536,000**	**4,775,360**	466,886,000	4,668,860
Issue of shares on conversion of convertible bonds *(note 15)*	**74,000,000**	**740,000**	10,650,000	106,500
Issue of shares on placing	**16,000,000**	**160,000**	–	–
At 31 March	**567,536,000**	**5,675,360**	477,536,000	4,775,360

During year ended 31 March 2010, 10,650,000 ordinary shares of HK$0.01 each were issued upon the conversion of 2009 CBs with principal amount of HK$21,300,000 at a conversion price of HK$2 each.

During year ended 31 March 2011, 63,000,000 ordinary shares and 11,000,000 ordinary shares of HK$0.01 each were issued upon the conversion of 2010 CBs and 2009 CBs with principal amount of HK$59,850,000 and HK$22,000,000 at a conversion price of HK$0.95 and HK$2 respectively.

On 1 September 2010, 16,000,000 ordinary shares of HK$0.01 each were placed at a price of HK$1.38 per share and raised net proceeds of HK$21,724,724.

All the above shares rank pari passu in all aspects with other shares in issue.

17. RELATED PARTY TRANSACTIONS

(a) The balances with a substantial shareholder and directors are disclosed in note 14.

(b) Compensation of directors and key management personnel

	2011	2010
	HK$	*HK$*
Salaries and other short-term benefits	**3,308,427**	2,779,812
Post-employment benefits	**15,929**	13,000
	3,324,356	2,792,812

The remunerations of directors and key executives are determined by the remuneration committee of the Company having regards to the performance of individuals and market trends.

FINAL DIVIDEND

The Board did not propose a final dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Our Group reported a loss of HK$22.36 million or a loss per shares of 4.56 cents for the year ended 31 March 2011. This represented 7.66 times the loss of HK$2.92 million for the previous year. The substantial increase in operating loss was mainly caused by the drop of gross profit, the fair value loss on derivative financial assets, the imputed interest expenses as well as the increase in general and administrative expenses, which have collectively made an unfavourable change of HK$19.44 million towards the current year's operating results. Our Group suffered through a much difficult and challenging fiscal year. Although the gross profit margin remained at approximately 16%, the gross profit had dropped by HK$3 million as a result of declining turnover. The Company had recognized, in accordance with relevant financial reporting standards, a fair value loss on derivative financial assets of HK$19 million during the year, whereas a gain of HK$7.9 million was recognized in previous year. The fair value loss mainly arose from the 1-year 4% convertible bonds issued by the Company on 13 December 2010. Imputed interest expenses on convertible bonds amounted to HK$16.8 million. It was almost 2 times the interest of HK$8.3 million recorded in previous year. The general and administrative expenses amounted to HK$26 million, which represented an increase by of 21% over that of last corresponding period. The increase was mainly due to rise in staff costs and legal and professional expenses. A compensation for liquidated damage of HK$22.3 million had been recorded as other gains and included in the current year's consolidated statement of comprehensive income. On 10 January 2011, the Company terminated the acquisition of a gold smelting and refinery business in PRC as the vendor could not fulfill certain condition precedent. As a result, the vendor agreed to compensate the same which represented approximately the costs and expenses incurred by the Company for the acquisition.

Business Review

The principal activities of the Group comprise two business units: financial quotation services and securities trading system licensing provided by QuotePower International Limited ("QuotePower") and wireless applications development provided by ABC QuickSilver Limited. During the year, QuotePower was still the Group's core revenue generator. It contributed most of the turnover reflected in the consolidated statement of comprehensive income of the Group.

Face with intense competitions and hit from the launch of free real-time stock data on designated websites by the Stock Exchange, QuotePower, our principal operating subsidiary in financial quotation services, had lost some of its business. Turnover of the Group dropped to HK$103 million, which was a decrease by 20.61% over that of the last year.

Outlook

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

On 28 March 2011, the Company entered into a sale and purchase agreement with independent third parties to acquire 60% equity interest and shareholders' loan of Jun Qiao Limited ("Jun Qiao"). Jun Qiao through its subsidiaries and joint venture companies in China, owns two gold mines in Henan Province and one gold mine in Xinjian Uygur Autonomous Region, with an aggregate mining area of 36.44 square kilometers. One of the gold mines in Henan Province is operational. According to the "Advanced Detailed Investigation Reports", "Reserves Verification Report" and "Feasibility Study on the Exploitation and Use of Resources" prepared by relevant recognized institutions in PRC, the operational mine in Henan Province contain mineral reserve of not less than (a) 5.83 metric tonnes of gold (UNFC Code 111b + 332); (b) 8 metric tonnes of gold (UNFC Code 333); and (c) 22.3 metric tonnes of silver (UNFC

Code 332 + 333). With the rising inflation rate and deteriorating purchase power of currency, the prices of commodities were being bullish in the past few years. The price of gold in the international market has gone beyond US$1,500 per ounce. The market and profit potential of Jun Qiao's gold mines are significant.

The acquisition of Jun Qiao has been completed on 9 May 2011, and thereafter, Jun Qiao became a subsidiary of the Company. The management believed that Jun Qiao will contribute positively to the Group in the forthcoming financial year. The completion of Jun Qiao's acquisition presented an important milestone to the Group and evidenced the management's endeavor to diversify the Group's business and investment portfolio in the interest of shareholders. In the past, the Group relied solely on the financial quotation service provided by QuotePower, which is highly volatile upon the performance of local stock market. The Board believes that it is in the best interests of the Company and the Shareholders to diversify the business of the Group. The management of the Company will continue to review and to identify potential investment opportunities.

EVENTS AFTER THE REPORTING PERIOD

On 28 March 2011, the Company entered into an acquisition agreement with Mr. Liu Ziqiang and Wide Soar Limited pursuant to which the Company would acquire 60% of the issued share capital and shareholders' loan of Jun Qiao Limited (the "Acquisition") for a total consideration of HK$100,000,000, of which HK$39,000,000 would be payable in cash, HK$21,000,000 would be satisfied by the issue of convertible bonds and HK$40,000,000 would be satisfied by the issue of promissory notes. Jun Qiao Limited, through its subsidiaries, holds (1) a mining permit of a mine located at Tongbai County, Henan Province with a total mining area of 1.81 square kilometers; (2) an exploration permit of a mine located at Tongbai County, Henan Province with a total mining area of 5.51 square kilometers; and (3) an exploration permit of a mine located at Ji Tai County, Xinjiang Uygur Autonomous Region with a total mining area of 29.12 square kilometers. The Acquisition had been completed on 9 May 2011. For further details of the Acquisition, please refer to the Company's announcement dated 28 March 2011.

On 14 April 2011, the Company entered into a placing agreement with Radland International Limited (the "Placing Agent"), whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, a maximum of 73,107,200 new shares (the "Placing Shares") to not less than 6 independent placees at a price of HK$0.64 per share (the "Placing"). The Placing Shares represented 12.88% of the issued share capital of the Company as at 14 April 2011 and approximately 11.41% of the Company's issued share capital as enlarged by the Placing. The Placing Shares would be allotted and issued under the general mandate granted to the Directors at the annual general meeting held on 21 January 2011. The Placing was completed on 5 May 2011 and an aggregate of 73,107,200 new shares had been successfully placed. The net proceeds from the Placing, which amounted to approximately HK$45.4 million, would be used to finance the cash consideration of the Acquisition mentioned above and to fund the general working of the Group.

FINANCIAL POSITION

During the year under review, the Group maintains a conservative approach to cash management and risk controls. To achieve better risk controls and efficient fund management, the Group's treasury activities are centralized. More than 90% of our receipts and payments are in Hong Kong dollars. Cash and bank balances are placed in deposits denominated either Hong Kong dollar or Renminbi. As at 31 March 2011, the Group had cash and cash equivalents of approximately HK$29 million.

Except for the Convertible Bonds due 2011 with principal amounts of HK$15.2 million outstanding at year end, the Group had no other bank borrowings. Total liabilities of the Group as at 31 March 2011 were HK$64 million (compared with HK$145 million on 31 March 2010). They mainly comprised of the amount due to a substantial shareholder, convertible bonds and trade and other payables. All liabilities of the Group were denominated in Hong Kong dollars.

The Group's debt-to-equity ratio as calculated by dividing total liabilities over total equity, as at 31 March 2011, was 0.49 times (31 March 2010: 2.84 times). The debt-to-equity ratio had been improved significantly during the year.

As at 31 March 2011, the Group had net current assets of HK$128 million (31 March 2010: net current assets of HK$49.6 million). The Group's financial position remained strong and healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.

PLEDGE OF ASSETS

As at 31 March 2011, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS

	2011	2010
	HK$	*HK$*
Contracted but not provided for capital commitment in respect of the acquisition of:		
– Subsidiaries *(Note)*	**100,000,000**	250,000,000
– Property, plant and equipment	**284,603**	–
	100,284,603	250,000,000

Note: Further details of the commitments as at 31 March 2011 and 31 March 2010 are set out in note 12 and "EVENTS AFTER THE REPORTING PERIOD", respectively.

CONTINGENT LIABILITIES

As at 31 March 2011, the Group had no material contingent liabilities.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2011, the Group had 47 employees. Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2011 amounted to approximately HK$15.6 million. Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefits. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has in the year under review complied with the Code on Corporate Governance Practices (the "Code") as set put in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

Code Provision A.2.1

Under the code provision A.2.1, the roles of Chairman and Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. During the year, the Company had no officer with the title of CEO. The roles and functions of the CEO have been performed by all the executive directors of the Company collectively. The Board ensured that all Directors compiled with good corporate governance practices and are properly briefed on issues arising at the Board meeting and have received adequate, complete and reliable information in a timely manner. The Board believes that presently the size of the Group is small and such arrangement will not impair the efficient formulation and implementation of the Group's strategies. The Board will periodically review such arrangement and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation and business development. On 11 April 2011, the Company has appointed Mr. Zhao Bao Long as the CEO.

Code Provision A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

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

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures contained in this announcement of the Group's results for the year have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2011. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by SHINEWING (HK) CPA Limited on this announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee, comprising three independent non-executive directors, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited accounts for the year ended 31 March 2011. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 March 2011.

REMUNERATION COMMITTEE

The Remuneration Committee, comprising three independent non-executive directors, has been set up by the Board for the purpose of reviewing the remuneration of Directors and the remuneration policies of the Group.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.0030hk.com). The Company's annual report for 2010/11 will be dispatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board of
ABC Communications (Holdings) Limited
Chen Jiasong
Chairman and Executive Director

Hong Kong, 24 June 2011

As at the date hereof, the Board of the Company comprises:

Executive Directors:
Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing
Mr. Choy Kai Chung, Andy
Mr. Lau Kevin
Mr. Song Gaofeng
Ms. Lam Pui Sea
Ms. Ma Sai

Non-executive Director:
Mr. Qiu Hai Jian

Independent Non-executive Directors:
Mr. Lee Kwong Yiu
Mr. Lee Ho Yiu, Thomas
Mr. Zhang Guang Hui