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This announcement, for which the directors (the “Directors”) of Soluteck Holdings Limited (the “Company”) 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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. 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.



SOLUTECK HOLDINGS LIMITED

一創科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(stock code: 8111)

RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

* *for identification only*

LETTER FROM THE CHAIRMAN

ANNUAL RESULTS HIGHLIGHTS

The net loss of the Group for the financial year ended 31 March 2009 was approximately HK\$3.2 million (net profit of the Group for the financial year ended 31 March 2008 was approximately HK\$2.3 million).

The revenue of the Group for the financial year ended 31 March 2009 was approximately HK\$43.6 million, representing a decrease of approximately 39.5 per cent. as compared to the financial year ended 31 March 2008.

Gross profit margin of the Group was approximately 38.7 per cent. in the financial year ended 31 March 2009, compared to approximately 24.4 per cent. in the financial year ended 31 March 2008.

Loss per share for the financial year ended 31 March 2009 was approximately HK0.70 cents (earnings per share for the financial year ended 31 March 2008 was approximately HK0.51 cents).

The Directors do not recommend the payment of a dividend for the financial year ended 31 March 2009 (dividend per Share for the financial year ended 31 March 2008: Nil).

Business review

The Group continued to specialize in the provision of implementation and upgrading of self-service automatic teller machine (“ATM”) systems and other systems, related application hardware and software, technical support and consultancy services to commercial banks and postal bureaus in the People’s Republic of China (the “PRC” or “China”) during the year ended 31 March 2009.

The year ended 31 March 2009 would be remembered as the year of the global economic crisis. The financial crisis which had started in the United States had by October 2008 spilled across the world in an unprecedented way. Asia also succumbed. The speed and scale of the spread of the crisis caught many by surprise. Its impact had been particularly hard hitting, wide reaching and enduring. Economies across the world went into contraction. As a result of this gloomy economic outlook, the Group faced challenges and difficulties, and as expected 2009 saw a reduction in the demand for self-service ATM systems in the banking sector. Competing manufacturers resorted to price-cutting and extensions of warranty periods in order to promote their products and meet their sales quotas.

Nevertheless, it was still the Group’s policy during the year to pursue a more selective approach to screen out unprofitable projects and this, together with the fierce competition among suppliers of ATM systems in China, had led to a drop in revenue. The Group’s revenue amounted to approximately HK\$43.6 million for the year ended 31 March 2009, representing a drop of approximately 39.5 per cent., compared with approximately HK\$72.1 million recorded for the financial year ended 31 March 2008. In addition to the revenue drop, the Group recorded a loss attributable to shareholders amounting to approximately HK\$3.2 million for year ended 31 March 2009 (2008: profit attributable to shareholders of approximately HK\$2.3 million), attributable to a loss per share of approximately HK0.70 cents (2008: earnings per share of approximately HK0.51 cents).

The Group's gross profit margin was approximately 38.7 per cent. in the financial year ended 31 March 2009 (2008: approximately 24.4 per cent.). The management believed that the increase in the Group's gross profit margin was mainly attributable to the "screening out" of unprofitable projects in the PRC.

In respect of marketing and sales of self-service ATM systems and the provision of system maintenance and enhancement services to financial institutions, the Group maintained its leading position with new contracts clinched with the Bank of Wenzhou, the Commercial Bank, Shanghai Pudong Development Bank, the Bank of Communications, the Rural Credit Cooperatives of China and several branches of the China State Postal Bureau during the year under review.

Internally, two subsidiaries of the Group, namely, Soluteck (Shanghai) Communication Technology Ltd. and Soluteck (Shanghai) Technologies Limited, had reaffirmed their ISO9001:2000 quality management certification through strict controls on organizational structure, staff number and operating procedures to ensure that optimum management standards and operational capabilities were always in place during the year ended 31 March 2009.

Externally, besides making strides in customer and market development, the Group had also achieved geographical extension of its business across huge nation of China during the year under review. To support the wider customers, the Group bolstered its infrastructure by establishing 38 service centers countrywide.

Business prospects

The Group is recognised as a prestigious and experienced professional ATM software, hardware and services company in the ATM sector, and is an authorized value-added reseller of self-service ATM systems of NCR (Beijing) Financial Equipment System Co., Ltd and related applications software for commercial banks in China.

The Group will fully commit to be one of the leading ATM Total Solution Providers in the banking sector in the PRC, offering a full range of banking and financial system solutions for the banking and financial sectors, and persist to put efforts on enhancing closer customer relationships, broadening business relationship and exploring new business opportunities in corporate outsourcing technical service sector.

Leveraging on our prudent and experienced management and our strong and determined workforce, the Group, by keeping on boosting its marketing effort in the PRC to bring in new customers, will strive to maintain and expand its operations farther, thus expanding our market share while at the same time bringing along greater return to our shareholders.

Dividend

The Board does not recommend the payment of a dividend for the financial year ended 31 March 2009 (2008: Nil).

Appreciation

As at 31 March 2009, the Group employed 11 and 140 staff in Hong Kong and the PRC, respectively. We treasure the harmonious relationship with our staff and would like to take this opportunity to express our gratitude to the management and staff of the Group for their dedicated performance which is instrumental to the future development of the Group. We would also like to take this opportunity to thank our shareholders, suppliers and customers for their continuous support to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of operations

During the year ended 31 March 2009, the Group recorded a revenue of approximately HK\$43.6 million (2008: approximately HK\$72.1 million), representing a decrease of approximately 39.5 per cent., compared with the previous year. Loss attributable to shareholders amounted to approximately HK\$3.2 million for the year ended 31 March 2009 (2008: profit attributable to shareholders of approximately HK\$2.3 million), attributable to a loss per share of approximately HK0.70 cents for the year ended 31 March 2009 (2008: earnings per share of approximately HK0.51 cents).

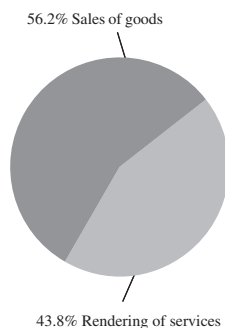
The drop in the Group's revenue was largely attributable to the Group's policy to undertake projects of higher profitability and fierce competition among suppliers of ATM systems in the People's Republic of China (the "PRC" or "China"). The Group's gross profit margin was approximately 38.7 per cent. in the financial year ended 31 March 2009 (2008: approximately 24.4 per cent.). The management believed that the increase in the Group's gross profit margin was mainly attributable to the "screening out" of unprofitable projects in the PRC.

Revenue

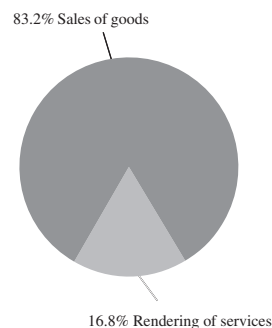
The Group is principally engaged in the sale of self-service ATM systems and other banking equipments, and the provision of hardware and software technical support services. Revenues recognized during the financial year are as follows:

	Financial year ended 31 March	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Sales of goods	24,523	60,015
Rendering of services	19,122	12,085
	<u>43,645</u>	<u>72,100</u>
Other revenue		
Government subsidies for business development	444	412
Interest income	40	61
	<u>44,129</u>	<u>72,573</u>

Analysis of business segments
for the financial year ended 31 March 2009



Analysis of business segments
for the financial year ended 31 March 2008



Implementation of self-service ATM systems

During the financial year ended 31 March 2009, implementation of self-service ATM systems remained the Group's core business and accounted for approximately 100.0 per cent. (2008: approximately 100.0 per cent.) of the Group's total revenue, including the income derived from the provision of technical consultancy and support services.

The revenue generated from the implementation of self-service ATM systems amounted to approximately HK\$43.6 million, representing a decrease of approximately 39.5 per cent. compared with the previous financial year. Such decrease was mainly a result of the "screening out" of unprofitable projects and keen competition among different suppliers of ATM systems in the PRC during the year under review.

As an authorised value-added reseller of self-service ATM systems of NCR (Beijing) Financial Equipment System Co., Ltd ("NCR") and related applications software for commercial banks in China, the Group is fully committed itself as a reliable and reputable vendor and a Total Solution Provider for self-service ATM systems. With China's entry into the World Trade Organisation ("WTO"), more banks and postal bureaus in the PRC will need to offer additional services and expand their branch networks to compete with international facilities in order to operate in the market. They have to gear up to improve their information technology infrastructure and operating efficiency, so as to consolidate and strengthen their respective market standing. The Group believes that demand for the implementation of self-service ATM systems will continue to grow in China, especially with China's steady economic growth.

By having ATM service centers already established in major cities in China including Ningbo, Guangxi, Hainan, Taiyuan, Jinan, Pingdingshan, Shanghai, Beijing, Shenyang, Qingdao, Zhengzhou, Wenzhou, Nanjing, Hefei, Xian, Zhoukou, Yiwu, Chongqing, Fuzhou, Wuxi, Tianjin, Shenzhen, Yantai, Sanming, Suzhou, Dalian, Jinhua, Hubei, Yingkou, Yancheng, Taizhou, Harbin, Jingzhou, Datong, Anhui, Sanmenxia, Xuzhou and Bengbu, the Group has ATM service centres to cover a total of 38 strategic cities and locations currently.

Provision of technical consultancy and support services

The provision of technical consultancy and support services, which were already included in the implementation of self-service ATM systems, contributed to a stable and recurrent source of income for the Group and accounted for approximately 43.8 per cent. (2008: approximately 16.8 per cent.) of the total revenue of the Group for the financial year ended 31 March 2009. Actual income derived from the provision of technical consultancy and support services increased by approximately 58.2 per cent. during the financial year ended 31 March 2009.

Interest income

The bank interest income of the Group decreased slightly by approximately 34.4 per cent. to approximately HK\$40,000 during the financial year ended 31 March 2009 (2008: approximately HK\$61,000).

Gross profit

The Group's gross profit margin was approximately 38.7 per cent. in the financial year ended 31 March 2009 (2008: approximately 24.4 per cent.). The management believed that the increase in the Group's gross profit margin was mainly attributable to the "screening out" of unprofitable projects in the PRC.

Selling expenses

Selling expenses incurred by the Group for the year ended 31 March 2009 amounted to approximately HK\$3.4 million (2008: approximately HK\$1.9 million), representing an increase of approximately 79.2 per cent. mainly because the Group had allocated some resources to explore new business opportunities.

Administrative expenses

Administrative expenses incurred by the Group for the financial year ended 31 March 2009 amounted to approximately HK\$15.9 million (2008: approximately HK\$11.9 million), representing an increase of approximately 34.2 per cent. primarily due to the increase in salary costs as a result of the increase in the average number of employees from 147 in last year to 157 in the current year, bad debts written off of approximately HK\$1.2 million and the increase in the average number of service centres from 29 in last year to 38 in the current year.

Staff costs (including Directors emoluments) which were included in both selling expenses and administrative expenses increased by approximately 19.2 per cent. to approximately HK\$11.2 million (2008: approximately HK\$9.4 million) mainly because of the increase in the average number of employees from 147 during the financial year ended 31 March 2008 to 157 during the financial year ended 31 March 2009.

Operating leases for land and building increased by approximately 12.8 per cent. to approximately HK\$1.7 million (2008: approximately HK\$1.5 million) mainly because of the increase in the number of service centres from the average of 29 in last year to 38 in the current year.

Bad debts of approximately HK\$1.2 million was written off in the year ended 31 March 2009 (2008: approximately HK\$45,000).

Depreciation expenses decreased by approximately 14.9 per cent. to approximately HK\$131,000 (2008: approximately HK\$154,000) as compared to that of last financial year mainly because certain fixed assets became fully depreciated in previous years.

Finance costs

The finance costs of the Group for the financial year ended 31 March 2009 was approximately HK\$117,000 (2008: approximately HK\$386,000) due to the decrease in the use of banking facilities.

Income tax expenses

The Group's income tax expenses for the financial year ended 31 March 2009 decreased to approximately HK\$1,091,000 (2008: approximately HK\$1,613,000) primarily due to a decrease in profit from operations during the current financial year.

Liquidity, financial resources and treasury policies

The Group generally finances its operations with internally generated cash flow. As at 31 March 2009, the Group had cash and bank balances amounting to a total of approximately HK\$5.6 million (2008: approximately HK\$1.8 million) and had outstanding bank overdraft of approximately HK\$nil (2008: approximately HK\$2.4 million) which represented the total borrowings of the Group as at that date. The bank overdraft was at Hong Kong Dollar prime rate (2008: Hong Kong Dollar prime rate).

Current ratio

As at 31 March 2009, the Group's current ratio, represented by a ratio of current assets to current liabilities, was approximately 8.5 (2008: approximately 7.2).

Gearing ratio

As at 31 March 2009, the gearing ratio of the Group, based on total liabilities over total assets was approximately 15.1 per cent. (2008: approximately 16.6 per cent.).

Directors' opinion on sufficiency of working capital

In view of the Group's financial and liquidity positions and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements.

Banking facilities

As at 31 March 2009, the Group's banking facilities of approximately HK\$23.5 million (2008: approximately HK\$5.6 million) are secured by corporate guarantees granted by the Company and several subsidiaries of the Group of approximately HK\$26.1 million (2008: approximately HK\$15.0 million) and leasehold properties held by a related party.

Charges on assets

As at 31 March 2009, total banking facilities available to the Company and its subsidiaries amounted to approximately HK\$23.5 million (2008: approximately HK\$5.6 million), of which approximately HK\$nil (2008: approximately HK\$2.4 million) had been utilized. As of 31 March 2009, the Company and its subsidiaries pledged no asset to banks as security for bank loans and overdraft (2008: HK\$Nil).

Contingent liabilities

As at 31 March 2009, the Group did not have any significant contingent liabilities.

Exposure to foreign exchange risk

The Group mainly operates in the PRC with transactions settled in Renminbi principally and did not have any significant exposure to foreign exchange risk during the year.

Employees

The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

Share options may be granted to Directors and employees of the Group to subscribe for Shares in the Company. Particulars of the scheme are set out in the relevant sections of this announcement.

Significant investments held and material acquisitions and disposals of subsidiaries

There were no significant acquisitions and disposals of investments by the Group during the year under review.

Purchase, sale or redemption of Shares

The Company has not redeemed any of its Shares during the financial year ended 31 March 2009. Neither the Company nor any of its subsidiaries purchased or sold any of the Shares during the financial year ended 31 March 2009.

CORPORATE GOVERNANCE REPORT

(1) Corporate governance practices

The Board and senior management are committed to the principles of Corporate Governance and have dedicated significant efforts to provide transparency, accountability and independence.

During the year ended 31 March 2009, the Company has adopted the Code on Corporate Governance Practice and the Rules on Corporate Governance Report as set out in the GEM Listing Rules Appendix 15 and Appendix 16 effective from the accounting periods from 1 January 2005.

(2) Board of Directors

The Board of Directors is accountable to shareholders for the activities and performance of the Group and for the preparation of financial statements which give a true and fair view. It oversees the Group's overall strategic plans, reviews the financial performance, supervises the management of the business and affairs and approves the strategic plans. The Board delegates corporate matters to the Management of the Group under the leadership of the Chief Executive Officer, including preparation of annual, interim and quarterly accounts, execution of business strategies adopted by the Board, implementation of internal controls system and compliance with relevant statutory requirements, rules and regulations. Management is required to present an annual budget and any proposals for major investment, addition of capital assets, and change in business strategies for the Board's approval.

Board Composition

The Board currently comprises of the following members:

Executive Directors:

Hou Hsiao Bing

Hou Hsiao Wen

Independent Non-Executive Directors:

Lui, Ming Rosita

Tam Kam Biu, William

Ho Wai Wing, Raymond

Currently, at every annual general meeting of the Company, one-third of all the Directors including the Independent Non-Executive Directors shall retire from office by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

Board Meeting

The Board meets at least four times a year to review financial and operating performance and discuss Group direction and strategy.

Details of the attendance of the board of Directors are as follows:

	17 Jun 2008	8 Aug 2008	7 Nov 2008	10 Feb 2009
Hou Hsiao Bing	✓	✓	✓	✓
Hou Hsiao Wen	✓	✓	✓	✓
* Lui, Ming Rosita	n/a	n/a	n/a	n/a
* Tam Kam Biu, William	n/a	n/a	n/a	n/a
* Ho Wai Wing, Raymond	n/a	n/a	n/a	n/a

* *Independent Non-Executive Directors who will not attend the Company's regular Board Meetings.*

Directors are given notice of regular Board Meetings of at least 14 days in advance. The Directors will receive details of agenda items for decision in advance of each Board Meeting.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advises the Board on corporate governance and compliance matters.

The Non-Executive Directors has a well balance of expertise in corporate finance, accounting, and business matters. They bring independent and invaluable advice and judgement on the Group's business expansion and risk management issues. The Executive Directors are seasoned practitioners in the information technology field and contribute to the Company with their industry and domain knowledge and management experience.

The Company confirmed that annual confirmations of independence were received from each of the Company's Independent Non-Executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all Independent Non-Executive Directors are considered to be independent.

(3) Chairman and Chief Executive Officer

During the year ended 31 March 2009, Mr. Hou Hsiao Bing is the Chairman and Mr. Hou Hsiao Wen is the Chief Executive Officer of the Company. The roles of Chairman and Chief Executive Officer are segregated. The Chairman is responsible for the leadership and effective running of the Board, and for ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner, while the Chief Executive Officer, supported by other Board members and the senior management, is responsible for the day-to-day management of the Group's business, including the implementation of major strategies and initiatives adopted by the Board.

(4) Audit Committee

The Company established an Audit Committee on 13 December 2000 with written terms of reference in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee comprises three members – Ms. Lui, Ming Rosita, Mr. Tam Kam Biu, William and Mr. Ho Wai Wing, Raymond, all of whom are Independent Non-Executive Directors. Ms. Lui, Ming Rosita is the Chairman of the Audit Committee. Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group.

The Audit Committee meets four times a year to review with senior management and at least once a year with the Company's auditors for the Company's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance to listing rules, internal and audit control, and budget and cash flow forecast.

The Group's unaudited quarterly and interim results and annual audited results during the year ended 31 March 2009 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

Details of the attendance of members at Audit Committee meeting are as follows:

	12 Jun 2008	1 Aug 2008	2 Nov 2008	5 Feb 2009
Lui, Ming Rosita	✓	✓	✓	X
Tam Kam Biu, William	✓	✓	✓	✓
Ho Wai Wing, Raymond	✓	✓	✓	✓

(5) Remuneration Committee

The remuneration committee was established in June 2005.

The Company adopted that a remuneration committee be established with specific written terms of reference which deal clearly with its authority and duties. The terms of reference will follow the requirement of Code Provision B.1.3. Currently, it comprises the Chairman, Mr. Hou Hsiao Bing, and three Independent Non-Executive Directors, Ms. Lui, Ming Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William with the Chairman as the Chairman of the Committee.

The Committee held one meeting during the financial year under review to discuss the policy and structure of the remuneration of the Directors and senior management.

During the year under review, a meeting of the remuneration committee was held in June 2008. Details of the attendance of members at remuneration committee meeting are as follows:

12 Jun 2008

Mr. Hou Hsiao Bing	✓
Ms. Lui, Ming Rosita	✓
Mr. Ho Wai Wing, Raymond	✓
Mr. Tam Kam Biu, William	✓

The policy for the remuneration of Executive Directors is:

- To ensure that none of the Directors should determine their own remuneration;
- The remuneration should be broadly aligned with companies with which the Company competes for human resources;
- The Group should aim to attract and retain executives and to motivate them to pursue appropriate growth strategies whilst taking into account individual performance;
- The remuneration should reflect the performance, complexity of duties and responsibility of the individual.

(6) Non-Executive Director

Code provision A.4.1 provides that Non-Executive Director should be appointed for a specific term and subject to re-election. The Company's Non-Executive Director is subject to retirement by rotation and re-election in accordance with the Company's Article of Association.

(7) Compliance of code for Directors' securities transaction

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the twelve months ended 31 March 2009.

(8) Auditors' remuneration

The Audit Committee of the Company is responsible for considering the appointment of the independent auditor. During the year under review, the Group has incurred an aggregate of HK\$205,000 to the independent auditor for its services of auditing and taxation.

(9) Internal controls

The Board recognises that a sound and effective internal control system will contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations.

Management has established the Group's Internal Control Policies and Guidance for monitoring the internal control system.

The Board has delegated to the Management the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. Qualified personnel and individual department heads throughout the Group maintain and monitor the compliance to these controls on an ongoing basis and report variance to senior management.

Based on the assessment and review made by the Board and senior management on the effectiveness of the internal control system, the Audit Committee is satisfied that:

- The internal controls and accounting systems of the Group are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation and the accounts are reliable for publication; and
- There is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

REPORT OF THE DIRECTORS

Directors

The Directors during the financial year and up to the date of this announcement were:

Mr. Hou Hsiao Bing (*Chairman*)

Mr. Hou Hsiao Wen

Ms. Lui, Ming Rosita*

Mr. Ho Wai Wing, Raymond*

Mr. Tam Kam Biu, William*

* *Independent Non-Executive Directors*

In accordance with Articles 108(A) of the Company's Articles of Association, the Executive Director, Mr. Hou Hsiao Wen, retires as Director by rotation at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

Directors' service contracts

Each of Messrs. Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen, both being Executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from 1 December 2000 (which will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other).

The Independent Non-Executive Directors have been reappointed for a further term of 1 year renewable automatically for successive term of 1 year each commencing from the next day after the expiry of the then current term of the aforesaid appointment, unless terminated by not less than three months' notice in writing served by either party on the other during the term of the renewed appointment. Save for Directors' fees, none of the Independent Non-Executive Directors is expected to receive any other remuneration for holding their office as an Independent Non-Executive Director.

Save as disclosed herein, there are no existing or proposed service contracts with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

Connected transactions

The connected transactions (also known as “Related Party Transactions”) undertaken by the Group are set out in note 17 to the financial statements.

The Independent Non-Executive Directors have examined and confirmed that:

- (i) these transactions were executive in the ordinary and usual course of business of the Company;
- (ii) these transactions were executed on normal commercial terms or on terms not less favorable than those given to (or obtained from, wherever applicable) independent third parties (if no comparable transaction can be referred to judge whether the transaction was executed on normal commercial terms);
- (iii) these transactions were executed in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interest of the Company’s shareholders as a whole;
- (iv) the aggregate amount of each of these transactions has not exceeded the cap amount as agreed with the Stock Exchange in this regard; and
- (v) the Company should continue with these transactions.

Directors’ interest in contracts

Save as disclosed in this announcement, no contracts of significance in relation to the Group’s business to which the Company and its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

Directors' and Chief Executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at 31 March 2009, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

(a) Directors' and Chief Executive's interests in the Shares of the Company

Name of Directors	Name of company	Capacity	Number and class of securities	Percentage shareholding in the same class of securities
Mr. Hou Hsiao Bing (Executive Director)	The Company	Beneficial owner	131,150,000 ordinary shares (L) (Note 1)	28.94%
	The Company	Beneficial owner	2,000,000 ordinary shares (Note 2)	0.44%
Mr. Hou Hsiao Wen (Executive Director)	The Company	Beneficial owner	33,160,000 ordinary shares (L) (Note 1)	7.32%
	The Company	Beneficial owner	2,000,000 ordinary shares (Note 2)	0.44%

Notes:

- The letter "L" represents the Director's interests in the Shares and underlying Shares of the Company.
- These Shares were the respective number of Shares which would be allotted and issued upon exercise in full of the options granted to each of the Company's Executive Directors namely Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen, pursuant to the share option scheme of the Company adopted on 13 December 2000. The exercise period and the exercise price of these options are set out in the section headed "Share Option Schemes" below.

(b) *Directors' and Chief Executive's interests/short positions in the Share Capital of the Company's associated corporations*

Name of Director	Name of Associated Corporations	Number of shares in which interested	Nature of interest	Approximate percentage holding of the non-voting deferred shares
Mr. Hou Hsiao Bing (<i>Executive Director</i>)	Truth Honour Electronic Limited	3,000,000 non-voting deferred shares	Beneficial owner	100% of the non-voting deferred shares
Mr. Hou Hsiao Bing (<i>Executive Director</i>)	Soluteck Investments Limited	500,000 non-voting deferred shares	Beneficial owner	100% of the non-voting deferred shares

Truth Honour Electronic Limited and Soluteck Investments Limited are subsidiaries of the Company and are thus associated corporations of the Company.

Share Option Schemes

1. Pre-IPO Share Options

On 13 December 2000, the shareholders of the Company approved and adopted a share option scheme (the "Share Option Scheme"). Under the Share Option Scheme, the Directors may, at their discretion, grant to any employees of the Group, including Executive Directors, options to subscribe for the Shares.

The subscription price for options granted under the Share Option Scheme after the listing of the Shares on the GEM is determined by the Directors and will not be less than the higher of the closing price of the Shares on GEM on the date of grant of the options or the average of the closing price of the Shares on GEM for the five trading days immediately preceding the date of grant of the options. As regards the options granted before the listing of the Shares on the GEM (the "Pre-IPO Share Options"), the subscription price is to be determined by Directors and shall not be less than the nominal value of the Shares. The maximum number of Shares in which options may be granted under the Share Option Scheme may not exceed 30 per cent. of the ordinary share capital in issue from time to time. The maximum option term is ten years from the respective grant dates. Options may be exercised at any time during a period, generally three years but not later than ten years, to be determined and notified to each grantee.

Pursuant to the Pre-IPO Share Options granted under the above Share Option Scheme, certain Directors have interests in options to subscribe for Shares as set forth below. The options have a

duration of 10 years from 18 December 2000, which is the date on which the offer of grant was made, and therefore will be exercisable during the period from the aforesaid date to 17 December 2010. Pursuant to the offer letters in respect of the grant of the Pre-IPO Share Options, the grantees can only exercise the options to the extent of an aggregate total of 25 per cent., 50 per cent., 75 per cent. and 100 per cent. of the Pre-IPO Share Options in each of the first to fourth anniversaries of the commencement of the trading of the Shares on GEM, respectively.

Pre-IPO Share Options	Number of Options				Outstanding at 31.3.2009	Closing price per Share immediately before the date of grant (HK\$) (Note)
	Outstanding at 1.4.2008	Granted during the year	Exercised during the year	Lapsed during the year		
Exercise price at HK\$0.40:						
– Executive Directors						
Hou Hsiao Bing	2,000,000	Nil	Nil	Nil	2,000,000	Nil
Hou Hsiao Wen	2,000,000	Nil	Nil	Nil	2,000,000	Nil
– Other Employees	2,400,000	Nil	Nil	Nil	2,400,000	Nil
	<u>6,400,000</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>6,400,000</u>	

Note:

As the Shares of the Company were listed in the GEM of the Stock Exchange of Hong Kong Limited not earlier than the date of 3 January 2001, no closing price per Share of the Pre-IPO Share Options could be calculated.

2. *New Share Option Scheme adopted as at 30 July 2004*

The Company has adopted a new share option scheme (“New Scheme”) and terminated the Share Option Scheme by shareholders’ resolutions passed at its Annual General Meeting held on 30 July 2004. The New Scheme became effective on 30 July 2004. Upon the termination of the Share Option Scheme on 30 July 2004, no further options may be offered under the Share Option Scheme but the Share Option Scheme would in all respects remain in force to the extent necessary to give effect to the exercise of the outstanding Pre-IPO Share Options granted under it prior to its termination. The outstanding Pre-IPO Share Options will continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

Interests and short positions of substantial shareholders and other persons in the Shares and underlying Shares of the Company

As at 31 March 2009, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares in the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Number of ordinary Shares	Capacity	Approximate percentage of interest
Ms. Tsou Lo Nien	35,190,000	Beneficial owner	7.77%
Mr. Chung Lok Fai	35,190,000	Interest of spouse (Note)	7.77%

Note: Mr. Chung Lok Fai is the spouse of Ms. Tsou Lo Nien. Accordingly, Mr. Chung Lok Fai is deemed, by virtue of Part XV of the SFO, to be interested in all the Shares in which Ms. Tsou Lo Nien is interested.

Save as disclosed above, as at 31 March 2009, no person or entity other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

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.

Major customers and suppliers

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- the largest supplier: Approximately 78.5 per cent.
- five largest suppliers in aggregate: Approximately 99.4 per cent.

Sales

- the largest customer: Approximately 38.6 per cent.
- five largest customers in aggregate: Approximately 88.6 per cent.

None of the Directors or their respective associates (as defined in the GEM Listing Rules) or shareholders which to the knowledge of the Directors, owns more than 5 per cent. of the Company's issued share capital, had any interest in the major suppliers or customers noted above.

Pre-emptive rights

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

Five years financial summary

	2009	2008	2007	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Results:					
Revenue	<u>43,645</u>	<u>72,100</u>	<u>63,808</u>	<u>34,068</u>	<u>66,986</u>
(Loss)/Profit attributable to shareholders	<u>(3,176)</u>	<u>2,291</u>	<u>2,078</u>	<u>(2,645)</u>	<u>(11,886)</u>
Assets and liabilities					
Total assets	<u>43,302</u>	<u>46,950</u>	<u>45,344</u>	<u>41,675</u>	<u>50,600</u>
Total liabilities	<u>(6,541)</u>	<u>(7,802)</u>	<u>(12,163)</u>	<u>(11,985)</u>	<u>(19,013)</u>
Net assets	<u>36,761</u>	<u>39,148</u>	<u>33,181</u>	<u>29,690</u>	<u>31,587</u>

Audit Committee

The Company's Audit Committee was formed on 13 December 2000. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with Reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee of the Board provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness both of the external and internal audit and of internal controls and risk evaluation. The Committee comprises three Independent Non-Executive Directors, namely Ms. Lui, Ming Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William. Four Meetings were held during the current financial year. This announcement has been reviewed and approved by the Audit Committee of the Board.

Directors' interest in competing business

Mr. Tam Kam Biu, William, an Independent Non-Executive Director of the Company, is an Executive Director of China Bio Cassava Holdings Limited. As China Bio Cassava Holdings Limited is also a Company which is engaged in business related to research and development of information technology, China Bio Cassava Holdings Limited may be in competition with the Group.

Save as disclosed above, none of the Directors or management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business which compete or may compete with the business of the Group.

Sufficiency of public float

The Company has maintained a sufficient public float throughout the year ended 31 March 2009.

Auditors

The financial statements have been audited by W.H. Tang & Partners CPA Limited who was appointed as auditors of the Company on 7 March 2006 to fill the causal vacancy following the resignation of Albert Lam & Co. on 7 March 2006. In accordance with the articles of association of the Company, W.H. Tang & Partners CPA Limited will retire in the forthcoming annual general meeting and the Board will propose in the forthcoming annual general meeting to re-appoint W.H. Tang & Partners CPA Limited as auditors to hold office until the conclusion of the annual general meeting which to be held after the forthcoming annual general meeting.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	<i>Note</i>	2009 HK\$'000	2008 HK\$'000
Revenue	3	43,645	72,100
Cost of sales		<u>(26,754)</u>	<u>(54,510)</u>
Gross profit		16,891	17,590
Other revenue	3	484	473
Selling expenses		(3,432)	(1,915)
Administrative expenses		<u>(15,911)</u>	<u>(11,858)</u>
(Loss) Profit from operations	4	(1,968)	4,290
Finance costs	5	<u>(117)</u>	<u>(386)</u>
(Loss) Profit before taxation		(2,085)	3,904
Income tax expenses	6	<u>(1,091)</u>	<u>(1,613)</u>
(Loss) Profit for the year		<u>(3,176)</u>	<u>2,291</u>
Attributable to:			
Equity holders of the Company		<u>(3,176)</u>	<u>2,291</u>
Dividend	7	<u>–</u>	<u>–</u>
(Loss) Earnings per share			
– Basic	8	<u>(0.70 cents)</u>	<u>0.51 cents</u>
– Diluted	8	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		242	344
Available-for-sale financial assets		<u>–</u>	<u>–</u>
		242	344
Current assets			
Inventories	9	12,652	7,010
Accounts receivables	10	21,524	30,353
Other receivables, deposits and prepayments		3,242	7,401
Bank balances and cash	11	5,642	1,842
		43,060	46,606
Current liabilities			
Accounts payables	12	844	884
Other payables and accruals		3,182	2,338
Receipt in advance		1,028	854
Bank overdraft	11	–	2,430
		5,054	6,506
Net current assets		38,006	40,100
Total assets less current liabilities		38,248	40,444
Non-current liabilities			
Deferred tax liabilities		1,487	1,296
Net assets		36,761	39,148
Capital and reserves			
Share capital		45,316	45,316
Reserves	13	(8,555)	(6,168)
Shareholders' funds		36,761	39,148

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Equity attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from reorganization HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2007	45,261	1,194	(24,317)	2,170	8,873	33,181
Shares issued on exercise of options	55	55	-	-	-	110
Exchange differences arising on translation of foreign operations	-	-	-	3,566	-	3,566
Profit for the year	-	-	-	-	2,291	2,291
At 31 March 2008 and At 1 April 2008	45,316	1,249	(24,317)	5,736	11,164	39,148
Exchange differences arising on translation of foreign operations	-	-	-	789	-	789
Loss for the year	-	-	-	-	(3,176)	(3,176)
At 31 March 2009	45,316	1,249	(24,317)	6,525	7,988	36,761

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009 HK\$'000	2008 HK\$'000
OPERATING ACTIVITIES		
(Loss) Profit before taxation	(2,085)	3,904
Adjustment for:		
Depreciation	131	154
Interest income	(40)	(61)
Interest expenses	117	386
Operating cash flows before movements in working capital	(1,877)	4,383
(Increase) Decrease in inventories	(5,642)	2,219
Decrease in accounts receivables	8,829	2,925
Decrease (Increase) in other receivables, deposits and prepayments	4,159	(6,087)
Decrease in accounts payables	(40)	(831)
Increase in other payables and accruals	844	301
Increase in receipt in advance	174	172
Cash from operations	6,447	3,082
Interest expenses	(117)	(386)
Overseas taxation paid	(916)	(1,413)
NET CASH FROM OPERATING ACTIVITIES	5,414	1,283
INVESTING ACTIVITIES		
Interest received	40	61
Purchase of property, plant and equipment	(21)	(98)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	19	(37)
FINANCING ACTIVITIES		
Shares issued on exercise of options	–	110
Repayment of amounts borrowed	–	(4,546)
NET CASH USED IN FINANCING ACTIVITIES	–	(4,436)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,433	(3,190)
CASH AND CASH EQUIVALENTS AT 1 APRIL	(588)	(1,000)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	797	3,602
CASH AND CASH EQUIVALENTS AT 31 MARCH	5,642	(588)
CASH AND CASH EQUIVALENTS AT 31 MARCH represented by		
Bank balances and cash	5,642	1,842
Bank overdraft	–	(2,430)
	5,642	(588)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2009

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liabilities and its shares are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, George Town, Grand Cayman, Cayman Islands, British West Indies and its principal place of business is located at Room 1104, SUP Tower, 75 King’s Road, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars and the functional currency of the Company’s subsidiaries is Renminbi (“RMB”). As the Company is listed on Hong Kong, the directors considered that it is appropriate to present the consolidated financial statements in Hong Kong dollars.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the sale of electronic banking systems, other systems and provision of hardware and software technical support services of computer communication systems, technical development of network communication, development and design of system software.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations (“HK(IFRIC)-Int”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The financial statements include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“Listing Rules”).

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSs”) issued by the HKICPA which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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 ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosure about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 9 & HKFRS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC)-Int 18	Transfers of Assets from Customers ⁷

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods ending on or after 30 June 2009

⁵ Effective for annual periods beginning on or after 1 July 2008

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for transfer on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the sale of self-service ATM systems and other systems, and the provision of hardware and software technical support services. Revenues recognized during the year are as follows:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Sales of goods	24,523	60,015
Rendering of services	19,122	12,085
	<hr/> 43,645	<hr/> 72,100
Other revenue		
Government subsidies for business development	444	412
Interest income	40	61
	<hr/> 484	<hr/> 473
Total revenue	<hr/> 44,129	<hr/> 72,573

Primary reporting format – business segments

The Group is organized into two main business segments:

- i. Sales of goods – sales of self-service ATM systems and other systems
- ii. Rendering of services – provision of hardware and software technical support services

	Sales of goods 2009 <i>HK\$'000</i>	Rendering of services 2009 <i>HK\$'000</i>	The Group 2009 <i>HK\$'000</i>
Revenue	<u>24,523</u>	<u>19,122</u>	<u>43,645</u>
Segment results	2,165	6,007	8,172
Other revenue			484
Unallocated costs			<u>(10,624)</u>
Loss from operations			(1,968)
Finance costs			<u>(117)</u>
Loss before taxation			(2,085)
Income tax expenses			<u>(1,091)</u>
Loss for the year			<u><u>(3,176)</u></u>
Segment assets	17,225	19,678	36,903
Unallocated assets			<u>6,399</u>
Total assets			<u><u>43,302</u></u>
Segment liabilities	843	1,668	2,511
Unallocated liabilities			<u>4,030</u>
Total liabilities			<u><u>6,541</u></u>
Capital expenditure	-	-	-
Unallocated capital expenditure			<u>21</u>
			<u><u>21</u></u>
Depreciation	-	41	41
Unallocated depreciation			<u>90</u>
			<u><u>131</u></u>
Other non-cash expenses			<u><u>1,163</u></u>

	Sales of goods 2008 <i>HK\$'000</i>	Rendering of services 2008 <i>HK\$'000</i>	The Group 2008 <i>HK\$'000</i>
Revenue	<u>60,015</u>	<u>12,085</u>	<u>72,100</u>
Segment results	7,235	3,744	10,979
Other revenue			473
Unallocated costs			<u>(7,162)</u>
Profit from operations			4,290
Finance costs			<u>(386)</u>
Profit before taxation			3,904
Income tax expenses			<u>(1,613)</u>
Profit for the year			<u>2,291</u>
Segment assets	27,009	11,827	38,836
Unallocated assets			<u>8,114</u>
Total assets			<u>46,950</u>
Segment liabilities	895	1,236	2,131
Unallocated liabilities			<u>5,671</u>
Total liabilities			<u>7,802</u>
Capital expenditure	–	–	–
Unallocated capital expenditure			<u>98</u>
			<u>98</u>
Depreciation	–	32	32
Unallocated depreciation			<u>122</u>
			<u>154</u>
Other non-cash expenses			<u>108</u>

4. (LOSS) PROFIT FROM OPERATIONS

(Loss) Profit from operations is stated after crediting and charging the following:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Crediting:		
Net foreign exchange gains	–	391
Charging:		
Auditors' remuneration	238	233
Cost of inventories	20,065	48,280
Depreciation	131	154
Operating leases for land and building	1,717	1,522
Bad debts written off	1,163	45
Research and development costs	214	251
Staff costs (including directors' emoluments and research and development costs)	11,234	9,422
Net foreign exchange loss	108	–

5. FINANCE COSTS

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank overdraft	117	386

6. INCOME TAX EXPENSES

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands until 2021. The Company's subsidiaries established in the British Virgin Islands is incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, is exempted from payment of the British Virgin Islands income taxes.

The Company's subsidiaries established in the PRC are subject to enterprise income tax ("EIT") rate of 20% – 25% (2008: 15% – 30%).

No provision for Hong Kong profits tax has been made as there is no assessable profit (2008: nil) for the subsidiaries operating in Hong Kong during the year ended 31 March 2009.

The amount of taxation charged to the consolidated income statement represents:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax:		
– Hong Kong Profits Tax	–	–
– Overseas taxation	–	1,380
Underprovision in prior years	–	33
Deferred taxation	<u>1,091</u>	<u>200</u>
Income tax expenses	<u><u>1,091</u></u>	<u><u>1,613</u></u>

The income tax expenses can be reconciled to the (loss) profit before taxation as per the consolidated income statement as follows:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) Profit before taxation	<u><u>(2,085)</u></u>	<u><u>3,904</u></u>
Calculated at a rate of income tax of 16.5% (2008: 17.5%)	(344)	683
Effect of difference rate of income tax in other countries	(44)	(290)
Tax effect on income not subject to taxation	(337)	(242)
Tax effect on expenses not deductible for taxation purposes	1,585	194
Tax effect on tax losses not recognized	24	845
Tax effect of changes in tax rate	75	–
Underprovision in prior years	–	33
Others	<u>132</u>	<u>390</u>
	<u><u>1,091</u></u>	<u><u>1,613</u></u>

7. DIVIDEND

No dividend was paid or proposed during the two years ended 31 March 2009 and 2008 nor has any dividend been proposed since the balance sheet date.

8. BASIC (LOSS) EARNINGS PER SHARE

Basic

The calculation of basic (loss) earnings per share are based on the Group's loss attributable to shareholders of approximately HK\$3,176,000 (2008: profit of approximately HK\$2,291,000) and 453,162,072 (2008: 453,162,072) ordinary shares in issue during the year.

No diluted earnings per share for the years 31 March 2009 and 2008 is presented as the exercise of the outstanding options of the Company would have an anti-dilutive effect.

9. INVENTORIES

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Merchandise for re-sale	8,932	4,502
Spare parts	<u>5,720</u>	<u>4,508</u>
	14,652	9,010
Less: Provision for slow moving and obsolete inventories	<u>(2,000)</u>	<u>(2,000)</u>
	<u>12,652</u>	<u>7,010</u>

10. ACCOUNTS RECEIVABLES

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts receivables	23,292	32,119
Less: Allowance for doubtful debts	<u>(1,768)</u>	<u>(1,766)</u>
	<u>21,524</u>	<u>30,353</u>

The majority of the Group's sales are on open account in accordance with terms specified in the contracts governing relevant transactions. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

At 31 March 2009 the ageing analysis of the Group's accounts receivables was as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current to 60 days	9,037	6,641
61 – 90 days	1,096	1,331
Over 90 days	13,159	24,147
	23,292	32,119
Less: Allowance for doubtful debts	(1,768)	(1,766)
	21,524	30,353

As at 31 March 2009, the top five customers accounted for 93.28% (2008: 96.4%) of the Group's accounts receivables. The overdue but not impaired balances are approximately HK\$1,570,000 (2008: HK\$2,035,000).

Movement in the allowance for doubtful debts

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Balance at the beginning of the year	1,766	1,700
Impairment loss recognized	–	66
Exchange adjustment	2	–
Balance at end for the year	1,768	1,766

At 31 March 2009 and 2008, the analysis of trade and note receivables that were past due but not impaired are as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Over 90 days	1,570	2,035

Accounts receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Accounts receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

11. BANK BALANCES AND CASH

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash at bank and on hand	5,038	1,842
Short-term deposits at banks	604	–
	<hr/>	<hr/>
Bank balances and cash in the consolidated balance sheet	5,642	1,842
Less: Bank overdrafts	–	(2,430)
	<hr/>	<hr/>
Bank balances and cash in the consolidated cash flow statement	5,642	(588)
	<hr/> <hr/>	<hr/> <hr/>
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash and bank deposits denominated in:		
Hong Kong dollar	2,484	808
Chinese Renminbi	3,116	1,011
United States dollar	42	23
	<hr/>	<hr/>
	5,642	1,842
	<hr/> <hr/>	<hr/> <hr/>

Included in the balance was approximately HK\$3,102,000 (2008: HK\$867,000), representing bank deposits denominated in Renminbi placed with banks in the PRC by the Group. The remittance of these funds out of the PRC is subject to the exchange control restrictions imposed by the PRC government.

The effective interest rates on short-term bank deposits ranged from 0.05% to 0.72% (2008: from 0.25% to 4.2%).

12. ACCOUNTS PAYABLES

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts payables	844	884
	<hr/> <hr/>	<hr/> <hr/>

At 31 March 2009, the ageing analysis of the Group's accounts payables was as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current to 60 days	732	779
61 – 90 days	–	76
Over 90 days	<u>112</u>	<u>29</u>
	<u>844</u>	<u>884</u>

13. RESERVES

	Share Premium <i>HK\$'000</i>	Reserve arising from reorganization <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2007	1,194	(24,317)	2,170	8,873	(12,080)
Exchange differences arising on translation of foreign operations	–	–	3,566	–	3,566
Shares issued on exercise of options	55	–	–	–	55
Profit for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,291</u>	<u>2,291</u>
At 31 March 2008 and At 1 April 2008	1,249	(24,317)	5,736	11,164	(6,168)
Exchange differences arising on translation of foreign operations	–	–	789	–	789
Loss for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,176)</u>	<u>(3,176)</u>
At 31 March 2009	<u>1,249</u>	<u>(24,317)</u>	<u>6,525</u>	<u>7,988</u>	<u>(8,555)</u>

Note:

The reserve arising from reorganization of approximately HK\$24,317,000 represents the difference between the nominal value of the share capital of subsidiaries acquired and the cost of investments in these subsidiaries incurred by the Company in exchange thereof, and has been debited to the reserve of the Group.

14. BANKING FACILITIES

As at 31 March 2009, the Group's banking facilities of HK\$23,500,000 (2008: HK\$5,600,000) are secured and supported by corporate guarantees granted by the Company and several subsidiaries of the Group of HK\$26,100,000 (2008: HK\$15,000,000) and leasehold property held by a related party.

As at 31 March 2009, there was no utilization of banking facilities (2008: HK\$2,430,000).

15. COMMITMENTS UNDER OPERATING LEASES – LAND AND BUILDINGS

At 31 March 2009, the Group had future aggregate minimum lease payments under operating leases as follows:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Not later than one year	801	1,335
Later than one year and not later than five years	<u>71</u>	<u>576</u>
	<u>872</u>	<u>1,911</u>

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases and rentals are negotiated and fixed for an average of one year.

The Company did not have significant lease commitment as at 31 March 2009.

16. CAPITAL COMMITMENTS

The Group and the Company did not have significant capital commitment as at 31 March 2009.

17. RELATED PARTY TRANSACTIONS

During the year, the Group undertook the following material transactions with the Directors and/or related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules. The transactions during the year are as follows:

(A) Transaction with connected or related parties

		The Group	
		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid to Directors	<i>(i)</i>	66	75
Rental paid to the related parties	<i>(ii)</i>	<u>415</u>	<u>405</u>

Note:

- (i) The Group leased an office premise from Mr. Hou Hsiao Wen (an Executive Director of the Company) and Ms. Chung Yuk Hung (a former Executive Director resigned on 10 January 2005), in Beijing of the PRC for the Group's use.
- (ii) The Group leased office premises from Dynatek Limited ("Dynatek") in Hong Kong at an annual rental of HK\$279,072 (2008: HK\$279,072) for the Group's use for the year ended 31 March 2009. Besides, the Group leased office premises from Ms. Tsou Lo Nien and Ms. Chung Po Chu in Shanghai, the PRC, at an annual rental of HK\$136,039 (2008: HK\$125,958) for the Group's use. Dynatek is owned by Mr. Hou Hsiao Bing, the Chairman of the Group. Mr. Chung Lok Fai was a former Director of the Company. Ms. Tsou Lo Nien and Ms. Chung Po Chu are the present and previous shareholders of the Company respectively.

(B) Compensation of directors and key management personnel

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short-term benefits	3,913	3,136
Post-employment benefits	36	36
	<u>3,949</u>	<u>3,172</u>

18. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year's presentation.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 17 June 2009.

By Order of the Board
Soluteck Holdings Limited
Hou Hsiao Bing
Chairman

Hong Kong, 17 June, 2009

As of the date hereof, the Executive Directors are Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen. The Independent Non-Executive Directors are Ms. Lui, Ming Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William.

This announcement will remain on the Company's website and on the GEM website with the domain name of www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.