

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under The Companies Act 1981 of Bermuda (as amended) and its securities are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group’s accounting books and records are maintained in Hong Kong dollars, the currency in which the majority of its transactions are denominated.

The Company acts as an investment holding company of a group of subsidiaries which are principally engaged in the import, marketing and distribution of consumer electrical appliances in Hong Kong, Macau and other regions in the People’s Republic of China (“PRC”) and the provision of related after-sales and maintenance services.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group adopted, for the first time, the following Hong Kong Financial Reporting Standards (“HKFRS(s)”) issued by the Hong Kong Society of Accountants (“HKSA”). The term of HKFRS is inclusive of Statements of Standard Accounting Practice (“SSAP(s)”) and Interpretations approved by the HKSA.

1. 總則

本公司根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為獲豁免公司，其證券在香港聯合交易所有限公司(「聯交所」)掛牌上市。

本集團之會計賬目及記錄乃以港元入賬，而大部份交易均以港元訂值。

本公司作為其集團附屬公司之投資控股公司，主要在香港、澳門及中華人民共和國(「中國」)內之其他地區從事消費電器產品之進口、市場推廣及分銷業務，以及提供有關之售後及保養服務。

2. 採納會計實務準則

本集團於本年度內首次採納下列由香港會計師公會(「香港會計師公會」)頒布之香港財務申報準則(「香港財務申報準則」)。香港財務申報準則之條款涵蓋香港會計師公會批准之會計實務準則(「會計實務準則」)及詮釋。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

SSAP 12 (Revised) Income taxes

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method. Whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts have been restated accordingly. This change in accounting policy has resulted in a decrease of accumulated profits by HK\$708,000 at 1 April 2003 (2002: decrease of accumulated profits by HK\$855,000). The net loss for the year has been increased by HK\$232,000 (2003: net loss for the year decreased by HK\$147,000).

2. 採納會計實務準則 – 續

會計實務準則第12號(經修訂) 所得稅

實行會計實務準則第12號(經修訂)之主要影響涉及遞延稅項。於過往年度，遞延稅項是按收益表負債法作出部份撥備，除於可見將來不預期可撤銷之時差外，其他時差之出現將會被確認為負債。會計實務準則第12號(經修訂)規定須採用資產負債表負債法，據此就財務報表之資產及負債之賬面值與用作計算應課稅溢利之相應稅基間之所有臨時差額確認為遞延稅項，而僅有少數情況可屬例外。於會計實務準則第12號(經修訂)並無任何特定過渡性要求，新會計政策已追溯地應用。比較數額已據此重列。作為此項會計政策變動之結果，於二零零三年四月一日之累積溢利已減少708,000港元(二零零二年：累積溢利減少855,000港元)，而本年度之虧損淨額已增加232,000港元(二零零三年：減少147,000港元)。

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3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

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

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Turnover

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, less returns and discounts.

3. 主要會計政策

本財務報表乃採用根據若干證券投資的重估值所修訂後的歷史成本法編製。

財務報表乃根據香港普遍採納之會計準則編製，所接納之主要會計政策如下：

綜合賬目基準

綜合財務報表乃綜合本公司及各附屬公司截至每年三月三十一日止年度之財務報表。

年內購入或出售附屬公司之業績由其收購生效日期起或截至其出售生效日期止（如適用）已納入在綜合收益表內。

所有本集團內部重大交易及來往賬戶已於綜合賬目時抵銷。

營業額

營業額指年內本集團向集團以外客戶銷售貨品之已收及應收款額減退貨及折扣。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, at the following rates per annum:

| | |
|------------------------|---|
| Leasehold land | Over the unexpired term of the relevant lease on a straight line basis |
| Buildings | Over the shorter of the term of the lease, or 50 years on a straight line basis |
| Furniture and fixtures | 15% on reducing balance method |
| Office equipment | 15% on reducing balance method |
| Motor vehicles | 25% on reducing balance method |

3. 主要會計政策 – 續

收入確認

出售貨品所得之收益乃於貨品交予客戶及轉讓貨品所有權時予以確認入賬。

銀行存款之利息收入乃就未到期本金按適用之利率以時間比例基準計算並確認入賬。

投資所得股息收入乃於本集團收取股息之權利已確定時確認。

物業、廠房及設備

物業、廠房及設備以成本減折舊及任何累計虧絀列賬。

物業、廠房及設備之折舊乃按估計可使用年期撇銷其成本而計算。所採用之年率如下：

| | |
|-------|---------------------------|
| 租賃土地 | 按有關租約剩餘年期以直線法基準計算 |
| 樓宇 | 按租約年期或50年(以較短者為準)以直線法基準計算 |
| 傢俬及裝置 | 15%(按餘額遞減基準計算) |
| 辦公室設備 | 15%(按餘額遞減基準計算) |
| 汽車 | 25%(按餘額遞減基準計算) |

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment – continued

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year.

Club debenture

A club debenture held for long-term investment purpose is stated at cost less any impairment loss.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable during the year.

3. 主要會計政策 – 續

物業、廠房及設備 – 續

出售或棄用資產所產生之收益或虧損指出售所得款項與資產賬面值之差額，已會列入收益表內。

證券投資

證券投資乃按交易日之基準確認，及按成本計算。

持作長期策略性投資之證券乃於隨後之申報日期按成本減去任何非暫時性之虧蝕計算。

其他投資乃按公平值計算，而未變現收益及虧損亦會列入年內之溢利或虧損。

會所債券

持作長期投資用途之會所債券乃按成本減任何虧蝕列賬。

於附屬公司之投資

附屬公司之投資乃按成本減任何虧蝕列入本公司之資產負債表內。本公司所佔附屬公司之業績乃按年內已收及應收股息計算。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is calculated as the estimated selling price less costs to be incurred in selling.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策 – 續

待售物業

待售物業乃按成本及可變現淨值兩者中較低者入賬。可變現淨值按估計售價減出售所致之費用計算。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本乃採用先入先出法計算。

減值

於每個年結日，本集團會審核其資產之賬面值，以釐定該等資產有否出現虧損。倘估計資產之可收回金額低於其賬面值，則將該資產之賬面值減至可收回金額。有關虧損則即時確認為開支。

倘虧損其後撥回，則有關資產之賬面值會增至其估計之可收回金額，惟已增加之賬面值不得超過假設該資產於前期並無確認虧損而釐定之賬面值。虧損撥回將即時確認為收入。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

3. 主要會計政策 – 續

稅項

所得稅開支表示當前應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括收益表內可免稅或不可作稅項扣減之項，故與收益表所列純利不同。本集團本期應課稅負債是根據於年結日之稅率計算。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於很可能可扣減暫時差額對銷應課稅溢利時確認。如暫時差額由商譽(或負商譽)或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債不予確認。

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For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation – continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the rates ruling on the dates of the transactions or at the contracted settlement rate, if applicable. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

3. 主要會計政策 – 續

稅項 – 續

遞延稅項負債就產生自於附屬公司之投資的應課稅暫時差額確認，惟本集團可控制暫時差額之撥回以及暫時差額可能不會於可見未來撥回則除外。

遞延稅項資產之賬面值乃於各個結算日檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部份遞延稅項資產為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎直接從股本權益扣除或直接計入股本權益之項目，在該情況下遞延稅項亦於股本權益中處理。

外幣換算

外幣交易乃以交易日當日之匯率或合約訂明之結算匯率(如適用)換算。以外幣訂值之貨幣資產及負債則按結算日之匯率重新換算。外幣兌換所引起之盈虧乃計入收益表內。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

On consolidation, the financial statements of subsidiaries operating outside Hong Kong are translated at the rates ruling on the balance sheet date. Income and expenses items are translated at the average exchange rates for the period. All exchange differences arising on consolidation are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the relevant lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit plans and the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

3. 主要會計政策 – 續

外幣換算 – 續

在編製綜合賬目時，於香港以外經營的附屬公司之財務報表乃按結算日之比率換算。本年度之收入及支出則按平均滙率換算。所有因此而產生之滙率差額被分類為權益並撥入本集團之滙兌儲備中。該換算差額亦於出售該運作時確認為期內之收入或支出。

經營租賃

經營租賃之應付租金按有關的租賃期以直線法在收益表中扣除。

退休福利費用

定額退休金福利計劃及強制性公積金計劃之付款於支付日期於綜合收益表中以費用扣除。

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4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

For management purposes, the Group is currently organised into two geographical segments - Hong Kong and Macau, and the PRC. These geographical segments are the basis on which the Group reports its primary segment information.

Segment information about these geographical segments is presented below:

4. 業務及地區分類資料

地區分類資料

就管理目的而言，本集團現時將地區分類分為香港及澳門以及中國。本集團根據此等分類呈報主要分類資料。

關於此等地區分類資料呈列如下：

| | | 2004 | | | 2003 (As restated) (重列) | | |
|------------------------------|----------|--|----------------------------------|--------------------------------|--|----------------------------------|--------------------------------|
| | | Hong Kong and Macau 香港及澳門 HK\$'000 千港元 | The PRC 中國 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 | Hong Kong and Macau 香港及澳門 HK\$'000 千港元 | The PRC 中國 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
| Turnover | 營業額 | 190,193 | 12,671 | 202,864 | 301,130 | 32,294 | 333,424 |
| Result | 業績 | (11,577) | (38) | (11,615) | (11,636) | (6,121) | (17,757) |
| Finance costs | 融資成本 | | | (740) | | | (1,800) |
| Loss before taxation | 除稅前虧損 | | | (12,355) | | | (19,557) |
| Taxation (charge) credit | 稅項(開支)確認 | | | (232) | | | 1,895 |
| Net loss for the year | 本年度虧損淨額 | | | (12,587) | | | (17,662) |
| BALANCE SHEET | | 資產負債表 | | | | | |
| ASSETS | | 資產 | | | | | |
| Segment assets | 分類資產 | 308,864 | 13,418 | 322,282 | 311,459 | 35,504 | 346,963 |
| Investments in securities | 證券投資 | 15,794 | - | 15,794 | 400 | - | 400 |
| Club debenture | 會所債券 | 753 | - | 753 | 753 | - | 753 |
| Unallocated corporate assets | 未分類公司資產 | | | 24,786 | | | 1,695 |
| Consolidated total assets | 綜合資產總值 | | | 363,615 | | | 349,811 |

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4. BUSINESS AND GEOGRAPHICAL SEGMENTS – continued

Geographical segments – continued

| | | 2004 | | | 2003 (As restated) | | |
|---|-----------------|---|----------------------------------|--------------------------------|---|----------------------------------|--------------------------------|
| | | Hong Kong and Macau 香港及澳門 HK\$'000 千港元 | The PRC 中國 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 | Hong Kong and Macau 香港及澳門 HK\$'000 千港元 | The PRC 中國 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
| LIABILITIES | 負債 | | | | | | |
| Segment liabilities | 分類債項 | 39,023 | 522 | 39,545 | 16,902 | 740 | 17,642 |
| Short-term bank borrowings | 短期銀行借貸 | | | 48,520 | | | 38,264 |
| Unallocated corporate liabilities | 未分類公司債項 | | | 17,311 | | | 23,079 |
| Consolidated total liabilities | 綜合債項總額 | | | 105,376 | | | 78,985 |
| OTHER INFORMATION | 其他資料 | | | | | | |
| Additions of property, plant and equipment | 新增之物業 廠房及設備 | 561 | – | 561 | 1,433 | 7 | 1,440 |
| Allowances for doubtful debts | 呆賬撥備 | 9,268 | – | 9,268 | 17,794 | – | 17,794 |
| Allowances for inventories | 存貨撥備 | 1,108 | – | 1,108 | 1,159 | – | 1,159 |
| Depreciation and amortisation | 折舊及攤銷 | 2,850 | 112 | 2,962 | 2,828 | 435 | 3,263 |
| Loss on disposal of property, plant and equipment | 出售物業廠房及 設備虧損 | 168 | 4 | 172 | 459 | – | 459 |
| Loss on disposal of a subsidiary | 出售附屬公司之 虧損 | 20 | – | 20 | – | – | – |
| Unrealised holding loss on investment in securities | 投資證券的 未確認虧損 | 1,755 | – | 1,755 | – | – | – |

Business segments

No business segment analysis is provided as substantially all of the Group's turnover and contribution to results were derived solely from the trading of consumer electrical appliances during the year.

4. 業務及地區分類資料 – 續

地區分類資料 – 續

業務分類資料

由於本集團之營業額及業績貢獻全部來自於年內之消費電器產品的買賣，故並無呈列業務分類資料分析。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

5. OTHER OPERATING INCOME

5. 其他經營收入

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|--|----------------------------|-------------------------|-------------------------|
| Interest on bank deposits | 銀行存款利息 | 260 | 754 |
| Interest from securities linked deposits | 證券掛鈎存款利息 | 1,980 | - |
| Dividend from investments in securities | 證券投資所得股息 | 59 | - |
| Gain on disposal of investment in securities | 出售證券投資之收益 | 1,698 | - |
| Rental income (net of outgoings of nil (2003: nil)) | 租金收入(除去零支出淨值 (二零零三年：無)) | 73 | 37 |
| Others | 其他 | 1,840 | 692 |
| | | <u>5,910</u> | <u>1,483</u> |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

6. LOSS FROM OPERATIONS

6. 經營虧損

Loss from operations has been arrived at after charging:

經營虧損已扣除下列各項：

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|---|---|-------------------------|-------------------------|
| Auditors' remuneration | 核數師酬金 | | |
| – current year | – 本年度 | 388 | 388 |
| – underprovision in the previous year | – 去年不足撥備 | – | 18 |
| | | 388 | 406 |
| Depreciation and amortisation | 折舊及攤銷 | 2,962 | 3,263 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 172 | 459 |
| Operating lease rentals in respect of land and buildings | 土地及樓宇之經營租賃租金 | 3,184 | 2,801 |
| Staff costs, including emoluments of directors, rental expenses under an operating lease in respect of directors' quarters of HK\$642,000 (2003: HK\$778,000) | 職工成本，包括董事袍金及 642,000港元 (二零零三年： 778,000港元) 董事宿舍之 經營租賃租金 | 22,275 | 27,804 |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

7. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Particulars of the emoluments of the directors for the year are as follows:

6. 董事薪酬及五位最高薪酬人員

本年度董事薪酬詳情如下：

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|--|-------------|-------------------------|-------------------------|
| Directors' fees: | 董事袍金： | | |
| Executive directors | 執行董事 | — | — |
| Independent non-executive directors | 獨立非執行董事 | 260 | 260 |
| | | <u>260</u> | <u>260</u> |
| Other emoluments (executive directors): | 其他薪酬(執行董事)： | | |
| Salaries and other benefits | 薪金及其他福利 | 2,439 | 2,784 |
| Performance related incentive payments | 與表現有關之獎勵金 | 358 | 358 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 70 | 149 |
| | | <u>2,867</u> | <u>3,291</u> |
| Total emoluments | 薪酬總額 | <u>3,127</u> | <u>3,551</u> |

Number of directors
董事人數

| | | 2004 | 2003 |
|---|-----------------------------|----------|----------|
| Emoluments of the directors are within the following bands: | 董事薪酬之幅度如下： | | |
| Nil - HK\$1,000,000 | 無 - 1,000,000 港元 | 5 | 5 |
| HK\$1,000,001 - HK\$1,500,000 | 1,000,001 港元 - 1,500,000 港元 | 1 | 1 |
| | | <u>6</u> | <u>6</u> |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

7. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS –

continued

No director waived any emoluments during the year.

The five highest paid individuals of the Group included three (2003: three) directors, details of whose remuneration are set out above. The emoluments of the remaining two (2003: two) highest paid individuals are as follows:

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|--|-------------|-------------------------|-------------------------|
| Salaries and other benefits | 薪金及其他福利 | 1,112 | 1,238 |
| Performance related incentive payments | 與表現有關之獎勵金 | 146 | 146 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 44 | 92 |
| Total emoluments | 薪酬總額 | 1,302 | 1,476 |

The emoluments of each of them are below HK\$1,000,000.

8. FINANCE COSTS

The amount represents interest on bank and other borrowings wholly repayable within five years.

7. 董事薪酬及五位最高薪酬人員 – 續

年內，概無董事放棄任何酬金。

本集團五位最高薪酬人員包括三位董事(二零零三年：三位)，彼等之薪酬詳情載於上文。其餘兩位最高薪酬僱員(二零零三年：兩位)之報酬如下：

各僱員薪酬均不超過1,000,000港元。

8. 財務費用

該項費用代表須於五年內全數償還之銀行及其他貸款利息。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

9. TAXATION (CHARGE) CREDIT

9. 稅項(支出)確認

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 (As restated) (重列) |
|--|------------|-------------------------|--|
| The (charge) credit comprises: 稅項確認(支出)包括： | | | |
| Current tax: | 本年度 | | |
| – Hong Kong Profits Tax for the year | – 本年度香港利得稅 | – | – |
| – overprovision in prior years | – 前期超額撥備 | – | 1,228 |
| | | – | 1,228 |
| Other jurisdictions | 其他地區 | | |
| – underprovision in the prior year | – 前期之不足撥備 | – | (332) |
| | | – | 896 |
| Deferred taxation (note 22): | 遞延稅項(附註22) | | |
| Current year | 本年度 | (47) | 999 |
| Attributable to a change in tax rate | 予改變稅率 | (185) | – |
| | | (232) | 1,895 |

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred a tax loss for the year.

Taxation outside Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the loss per the income statement as follows:

由於本集團於本年度錄得稅項虧損，故並無在財務報表中作香港利得稅撥備。

海外稅項已根據有關地區之比率計算在內。

年內開支可與收益表所列虧損對賬如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

9. TAXATION (CHARGE) CREDIT – continued

9. 稅項(支出)確認

| | | 2004 | | 2003 | |
|--|------------------|----------|--------|----------|-------|
| | | HK\$'000 | % | HK\$'000 | % |
| | | 千港元 | | 千港元 | |
| Loss before taxation | 除稅前虧損 | (12,355) | | (19,557) | |
| Tax at Hong Kong Profits | | | | | |
| Tax rate | 按香港利得稅率 | (2,162) | 17.5 | (3,128) | 16.0 |
| Tax effect of expenses that are not deductible in determining taxable profit | 就稅務而言不可扣減開支之稅務影響 | 585 | (4.7) | 815 | (4.2) |
| Tax effect of income not taxable in determining taxable profit | 就稅務而言非應課稅收入之稅務影響 | (20) | 0.2 | (118) | 0.6 |
| Tax effect of tax losses not recognised | 未有確認之稅項之稅務影響 | 1,812 | (14.7) | 1,432 | (7.3) |
| Increase in opening deferred tax balances resulting from an increase in tax rate | 稅率增加所產生之期初遞延稅項淨額 | 185 | (1.5) | – | – |
| Overprovision in prior years | 上年度超額撥備 | – | – | (896) | 4.6 |
| Other | 其他 | (168) | 1.3 | – | – |
| Tax effect and effective tax rate for the year | 本年度之稅項影響及稅率 | 232 | (1.9) | (1,895) | 9.7 |

10. DIVIDENDS

10. 股息

No dividend was paid or proposed during 2004, nor has any dividend been proposed since the balance sheet date (2003: nil).

於二零零四年並無股息派發或建議，及自結算日後不建議派發任何股息(二零零三年：無)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

11. LOSS PER SHARE

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

| | |
|--|-------------------|
| Loss for the purposes of basic and diluted loss per share | 基本及攤薄每股虧損所用之虧損 |
| Net loss for the year | 本年度虧損 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 基本每股盈利而言之普通股加權平均數 |

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share has been adjusted for the share consolidation on 28 January 2003.

No diluted loss per share has been presented as the exercise of share options would result in a reduction in loss per share.

11. 每股虧損

基本及攤薄每股虧損乃按以下數據計算：

| 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 (As restated) (重列) |
|-------------------------|--|
| (12,587) | (17,662) |
| 194,165,900 | 195,011,581 |

每股普通股之基本及攤薄盈利所用之加權平均數已就二零零三年一月二十八日之股份合併作出調整。

因行使購股權將削減每股虧損，攤薄每股虧損並無在此顯示。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

11. LOSS PER SHARE – continued

The adjustment to comparative basic loss per share, arising from the changes in accounting policies shown in note 2 above, is as follows:

11. 每股虧損 – 續

從會計政策之改變，見上面附註2，所產生之每股虧損變動如下：

| | | Basic 基本 HK cents 港仙 |
|--|-----------------------------|-------------------------------|
| Reconciliation of 2003 loss per share: 2003年每股虧損之對賬表： | | |
| Reported figure before adjustments | 變動前已公佈數字 | (9.13) |
| Adjustments arising from the adoption of SSAP 12 (Revised) | 採納會計實務準則第12號 (經修訂)時所作出調整 | 0.07 |
| Restated | 重列 | <u>(9.06)</u> |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

| | | Leasehold land and buildings 租賃 土地及樓宇 HK\$'000 千港元 | Furniture and fixtures 傢俬及裝置 HK\$'000 千港元 | Office equipment 辦公室設備 HK\$'000 千港元 | Motor vehicles 車輛 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------|--|--|---|--|--------------------------------|
| THE GROUP COST | 本集團 成本值 | | | | | |
| At 1 April 2003 | 於二零零三年四月一日 | 58,989 | 7,340 | 10,698 | 6,343 | 83,370 |
| Additions | 添置 | - | 294 | 97 | 170 | 561 |
| Disposals | 出售 | - | (245) | (78) | (274) | (597) |
| Disposal of a subsidiary | 出售附屬公司 | - | - | (28) | - | (28) |
| At 31 March 2004 | 於二零零四年三月三十一日 | 58,989 | 7,389 | 10,689 | 6,239 | 83,306 |
| DEPRECIATION AND AMORTISATION | 折舊及攤銷 | | | | | |
| At 1 April 2003 | 於二零零三年四月一日 | 7,592 | 3,869 | 5,422 | 5,086 | 21,969 |
| Provided for the year | 本年度撥備 | 1,198 | 617 | 801 | 346 | 2,962 |
| Eliminated on disposals | 於出售時抵銷 | - | (120) | (51) | (229) | (400) |
| Eliminated on disposal of a subsidiary | 於出售附屬公司時 抵銷 | - | - | (8) | - | (8) |
| At 31 March 2004 | 於二零零四年三月三十一日 | 8,790 | 4,366 | 6,164 | 5,203 | 24,523 |
| NET BOOK VALUE | 賬面淨值 | | | | | |
| At 31 March 2004 | 於二零零四年三月三十一日 | 50,199 | 3,023 | 4,525 | 1,036 | 58,783 |
| At 31 March 2003 | 於二零零三年三月三十一日 | 51,397 | 3,471 | 5,276 | 1,257 | 61,401 |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT – continued

The net book value of land and buildings shown above comprises:

12. 物業、廠房及設備 – 續

以下為土地及樓宇之賬面淨值：

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|--------------------|---------|-------------------------|-------------------------|
| Land in Hong Kong: | 在香港之土地： | | |
| Long leases | 長期租約 | 6,528 | 6,724 |
| Medium-term leases | 中期租約 | 36,342 | 37,164 |
| | | 42,870 | 43,888 |
| Land in the PRC: | 中國之土地： | | |
| Medium-term leases | 中期租約 | 7,329 | 7,509 |
| | | 50,199 | 51,397 |

13. INVESTMENTS IN SECURITIES

13. 證券投資

| | | Investment securities 證券投資 | | Other investments 其他投資 | | Total 總值 | |
|---------------------------------------|---------------|-------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
| THE GROUP | 本集團 | | | | | | |
| Equity securities: | 證券 | | | | | | |
| Listed in Hong Kong, at fair value | 於香港上市 按公平值 | - | - | 15,395 | - | 15,395 | - |
| Unlisted, at cost | 非上市，按成本 | 400 | 400 | - | - | 400 | 400 |
| | | 400 | 400 | 15,395 | - | 15,795 | 400 |
| Market value of listed securities | 上市證券的市值 | - | - | 15,395 | - | 15,395 | - |

The directors consider that the investment securities are worth at least their carrying values.

董事認為投資價值不少於其賬面值。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

14. PROPERTIES HELD FOR SALE

THE GROUP

The properties held for sale are stated at cost and held under medium-term leases in Hong Kong.

15. DEPOSITS PAID FOR ACQUISITION OF PROPERTIES

THE GROUP

The amount represents deposits paid to vendor for the acquisition of properties. Details of the related capital commitment are set out in note 29.

16. INVENTORIES

14. 待售物業

本集團

待售物業按成本採納，並於香港以中期租約持有。

15. 購置物業按金

本集團

數值為物業併購支付予售方之按金。有關資本承擔的資料已詳列於附註29。

16. 存貨

| | | THE GROUP 本集團 | |
|----------------|-----|-------------------------|-------------------------|
| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
| Finished goods | 製成品 | 145,354 | 115,476 |
| Spare parts | 配件 | 4,824 | 4,910 |
| | | <u>150,178</u> | <u>120,386</u> |

Included in the above are inventories in the amount of HK\$6,110,000 (2003: HK\$5,222,000) which were carried at net realisable value.

存貨中數值6,110,000港元(二零零三年: 5,222,000港元)乃按變現淨值入賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

17. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period of 60 days to its retail customers. For sales to main constructors of properties developers, an average credit period of 30 days after the issuance of architect certificate. The following is an aged analysis of trade receivables at the balance sheet date:

17. 貿易及其他應收賬項

本集團允許六十天的信用期限予其零售客戶，及建築師證明書發出後三十天的平均信用期限予其工程項目客戶。於結算日，貿易應收款項的賬齡分析如下：

| | | THE GROUP 本集團 | |
|-------------------|--------|-------------------------|-------------------------|
| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
| 0 – 30 days | 0-30天 | 20,778 | 22,847 |
| 31 – 60 days | 31-60天 | 13,083 | 7,370 |
| > 60 days | 多於60天 | 11,668 | 33,268 |
| | | <hr/> | <hr/> |
| Other receivables | 其他應收賬項 | 45,529 | 63,485 |
| | | 6,618 | 6,542 |
| | | <hr/> | <hr/> |
| | | 52,147 | 70,027 |
| | | <hr/> | <hr/> |

18. SECURITY LINKED DEPOSITS

THE GROUP

The amount represents deposits which will be converted into designated listed shares in Hong Kong at the maturity dates of the deposits if the closing prices of these designated shares fall below the pre-determined prices at those dates. If the closing prices of these designated shares are higher than the pre-determined prices at maturity, the Group will receive cash with pre-agreed interest amount.

18. 證券掛鈎存款

本集團

有關金額指，倘指定香港上市股份之收市價低於按金到期日預先釐定之價格，則將於該等日期轉換作該等指定股份之按金。倘該等指定股份之收市價高於到期時預先釐定之價格，則本集團將收取現金連同預先協定之利息。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

19. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

| | |
|----------------|--------|
| 0 – 30 days | 0-30天 |
| 31 – 60 days | 31-60天 |
| > 60 days | 多於60天 |
| Other payables | 其他應付款項 |

19. 貿易及其他應付款項

於結算日，貿易應付款項的賬齡分析如下：

THE GROUP 本集團

| 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|-------------------------|-------------------------|
| 22,325 | 1,254 |
| 865 | 1,074 |
| 7,617 | 9,717 |
| 30,807 | 12,045 |
| 8,711 | 5,570 |
| 39,518 | 17,615 |

20. BANK BORROWINGS

Bank borrowings are repayable within one year or upon demand, comprise the following:

| | |
|---------------------------|---------|
| Trust receipt loans | 信託收據貸款 |
| Bank loans and overdrafts | 銀行貸款及透支 |
| Secured | 抵押 |
| Unsecured | 非抵押 |

20. 銀行借貸

在一年內或在要求下需要償還的銀行借貸包括下列各項：

THE GROUP 本集團

| 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|-------------------------|-------------------------|
| 23,222 | 16,597 |
| 25,298 | 21,667 |
| 48,520 | 38,264 |
| 18,101 | – |
| 30,419 | 38,264 |
| 48,520 | 38,264 |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

21. AMOUNT DUE TO A RELATED COMPANY

THE GROUP

The amount represents the balance due to Napson Trading Limited (“Napson”), a company in which Mr. Chu Ka Lok, Peter has a beneficial interest, in connection with the acquisition of Grant Return Investments Limited (“Grant Return”) from Napson in previous year. The amount is unsecured, interest-free and repayable by 60 consecutive monthly instalments of HK\$500,000 each from October 2001. The amount repayable within one year is classified as current liability.

21. 應付有關公司之款項

本集團

此欠款由Napson Trading Limited (「Napson」) 一間朱嘉樂先生持實益權益的公司，於去年收購宏集投資有限公司 (「宏集投資」) 而產生。該項欠款是無抵押、免息以及由二零零一年十月起連續60個月每月供款500,000港元分期歸還。一年內還清的欠款均視為流動負債。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

22. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years.

THE GROUP

| | | Accelerated tax depreciation 加速稅務折舊 HK\$'000 千港元 | Revaluation of properties 物業重估 HK\$'000 千港元 | Prepayments 提前支付 HK\$'000 千港元 | Tax loss 稅務虧損 HK\$'000 千港元 | Total 總值 HK\$'000 千港元 |
|--|-----------------------------------|---|---|--|-------------------------------------|--------------------------------|
| At 1 April 2002 | 於二零零二年四月一日 | | | | | |
| – as previously reported | – 先前呈報 | 2,090 | – | 133 | – | 2,223 |
| – adjustment on adoption of SSAP 12 (Revised) | – 採納會計實務準則 第12號時所作出調整 (經修訂) | 466 | 396 | (7) | – | 855 |
| – as restated | – 經重列 | 2,556 | 396 | 126 | – | 3,078 |
| (Credit) charge to income statement | 損益表上的(確認)開支 | (52) | – | 12 | (959) | (999) |
| At 31 March 2003 | 於二零零三年三月三十一日 | 2,504 | 396 | 138 | (959) | 2,079 |
| Charge (credit) to income statement | 損益表上的開支(確認) | 31 | – | (151) | 167 | 47 |
| Effect of change in tax rate | 稅率改變之影響 | 225 | 37 | 13 | (90) | 185 |
| At 31 March 2004 | 於二零零四年三月三十一日 | 2,760 | 433 | – | (882) | 2,311 |

At the balance sheet date, the Group had unused tax losses of HK\$27,032,000 (2003: HK\$17,637,000) available to offset against future profits. A deferred tax has been recognised in respect of HK\$5,039,000 (2003: HK\$5,997,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$7,368,000 (2003: HK\$6,833,000) due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$7,368,000 (2003: HK\$6,833,000) that will expire in five years, other losses may be carried forward indefinitely.

22. 遞延稅項

以下為已確認的主要遞延稅項負債(資產)與其於本年及去年的變動。

本集團

於結算日，本集團擁有未動用稅務虧損27,032,000港元(二零零三年：17,637,000港元)可用作抵銷未來溢利。本集團就當中的5,039,000港元(二零零三年：5,997,000港元)確認遞延稅項。而由於未能估計未來溢利，並無就餘下的7,368,000港元(二零零三年：6,833,000港元)確認遞延稅項資產。未確認稅務虧損中之7,368,000港元(二零零三年：6,833,000港元)於5年內屆滿。其他虧損可無限期結轉。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES

23. 所佔附屬公司之權益

| | | THE GROUP 本集團 | |
|------------------------------------|-------------|-------------------------|-------------------------|
| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
| Unlisted shares, at carrying value | 非上市股份，按賬面價值 | 148,333 | 148,333 |
| Amounts due from subsidiaries | 附屬公司欠款 | 73,772 | 73,416 |
| | | <u>222,105</u> | <u>221,749</u> |

The carrying value of the unlisted shares is based on the underlying net assets of the subsidiaries as at the time they became members of the Group pursuant to a corporate reorganisation in 1997.

The amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within one year. Accordingly, the amounts are shown as non-current.

非上市股份之賬面值乃本集團旗下附屬公司於一九九七年之集團重組而成為本集團成員公司之日之基本資產淨值。

附屬公司欠款為非擔保，非帶息及無固定付款。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES – continued

Details of the Company's subsidiaries at 31 March 2004 are as follows:

23. 所佔附屬公司之權益 – 續

於二零零四年三月三十一日，本公司附屬公司之詳情如下：

| Name of company 公司名稱 | Place of incorporation or establishment/ operation 註冊成立/ 成立/營運地點 | Issued and fully paid/ registered capital 已發行及 繳足/註冊股本 | Proportion of nominal value of issued/ registered share capital held by the Company 本公司所持發行/ 註冊股本面值百分比 | | Principal activity 主要業務 |
|--|---|--|---|------------------|---|
| | | | Directly 直接 | Indirectly 間接 | |
| Alpha Appliances (China) Limited 第一電業(中國)有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000港元 | – | 100% | Investment holding 投資控股 |
| Alpha Appliances Limited 第一電業有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 Non-voting deferred 無投票權遞延股份 5,000,000 港元(附註1) | – | 100% | Distributing and trading in consumer electrical appliances 分銷及買賣消費 電器用品 |
| Alpha Appliances Services Limited 第一電業服務有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | – | 100% | Inactive 暫無營業 |
| Alpha Contempo Limited | Hong Kong 香港 | Ordinary HK\$100 普通股 100 港元 | – | 100% | Inactive 暫無營業 |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES – continued

23. 所佔附屬公司之權益 – 續

| Name of company 公司名稱 | Place of incorporation or establishment/ operation 註冊成立/ 成立/營運地點 | Issued and fully paid/ registered capital 已發行及 繳足/註冊股本 | Proportion of nominal value of issued/ registered share capital held by the Company 本公司所持發行/ 註冊股本面值百分比 | | Principal activity 主要業務 |
|---|---|--|---|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Alpha General (BVI) Holdings Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Ordinary US\$1,000 普通股 1,000 美元 | 100% | – | Investment holding 投資控股 |
| Alpha Hitech Limited 第一科技有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100% | – | Inactive 暫無營業 |
| Alpha Strategic Investment Limited 第一策略投資有限公司 | Hong Kong 香港 | Ordinary HK\$100 普通股 100 港元 | – | 100% | Property investment 投資物業 |
| Fair City Service Limited 輝城服務有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | – | 100% | Inactive 暫無營業 |
| Grant Return Investments Limited 宏集投資有限公司 | Hong Kong 香港 | Ordinary HK\$2,000,000 普通股 2,000,000 港元 | – | 100% | Property investment 投資物業 |
| 珍寶國際貿易(上海) 有限公司(Note 2) (附註2) | PRC 中國 | Registered US\$200,000 註冊股 200,000美元 | – | 100% | Trading in consumer electrical appliances 買賣消費電器用品 |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

23. INTERESTS IN SUBSIDIARIES – continued

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

Notes:

1. The non-voting deferred shares, which are not held by the Group, carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the relevant company or to participate in any distribution on winding up.
2. Wholly foreign owned enterprises established in PRC.

23. 所佔附屬公司之權益 – 續

於年終或年內之任何期間，各附屬公司均無任何未償還貸款資本。

附註：

1. 非本集團持有之無投票權遞延股份實際上不附有獲派付股息或接獲有關公司就召開任何股東大會所發出之通告或出席股東大會或於會上投票，或於公司清盤時取得任何分派之權利。
2. 於中國成立之全外資企業。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

24. SHARE CAPITAL

24. 股本

| | | Notes 附註 | Number of shares 股份數目 | Amount HK\$'000 千港元 |
|---|---|-------------|-----------------------------|---------------------------|
| Authorised: | 法定： | | | |
| At 1 April 2002 ordinary shares of HK\$0.01 each | 於二零零二年四月一日 每股面值0.01港元之普通股 | | 6,000,000,000 | 60,000 |
| Shares consolidation, shares of HK\$0.20 each | 每股面值0.20港元 之合併股份 | (b) | (5,700,000,000) | — |
| At 31 March 2003 and 31 March 2004 | 於二零零三年三月三十一日及 二零零四年三月三十一日 | | <u>300,000,000</u> | <u>60,000</u> |
| Issued and fully paid: | 已發行及繳足： | | | |
| At 1 April 2002, shares of HK\$0.01 each | 於二零零二年四月一日 每股面值0.01港元之股份 | | 3,915,844,000 | 39,159 |
| Repurchase of shares | 購回之股份 | (a) | (32,526,000) | (325) |
| Shares consolidation, shares of HK\$0.20 each | 每股面值0.20港元 之合併股份 | (b) | <u>(3,689,152,100)</u> | <u>—</u> |
| At 31 March 2003 and 31 March 2004, shares of HK\$0.20 each | 於二零零三年三月三十一日 及二零零四年三月三十一日 每股面值0.20港元之股份 | | <u>194,165,900</u> | <u>38,834</u> |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

24. SHARE CAPITAL – continued

24. 股本 – 續

Notes:

附註：

- (a) During the year ended 31 March 2003, the Company repurchased its own shares through the Stock Exchange as follows:

- (a) 於截至二零零三年三月三十一日止年度內，本公司透過香港聯合交易所購回之股份如下：

| Month of repurchase | 購回月份 | Number of shares repurchased 購回之股份數目 | Price per share 每股價格 | | Aggregate price paid 已付總額 HK\$ 港元 |
|---------------------|----------|---|-----------------------------|----------------------------|--|
| | | | Highest 最高 HK\$ 港元 | Lowest 最低 HK\$ 港元 | |
| September 2002 | 二零零二年九月 | 11,566,000 | 0.020 | 0.018 | 225,164 |
| October 2002 | 二零零二年十月 | 14,990,000 | 0.019 | 0.017 | 276,130 |
| November 2002 | 二零零二年十一月 | 5,970,000 | 0.020 | – | 119,400 |

The above shares were cancelled upon repurchase and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against share premium account. An amount equivalent to the nominal value of the shares cancelled was transferred from the accumulated profits to the capital redemption reserve (note 26).

以上之股份已於購回時註銷，本公司之已發行股份股本並已扣除有關股份之面值。就購回股份而應支付之溢價已自股份溢價賬中扣除。相等於被註銷股份面值之款項已自累計溢利轉撥至資本贖回儲備(附註26)。

- (b) Pursuant to an ordinary resolution passed at a special general meeting, the Company carried out a share consolidation whereby every twenty issued shares of HK\$0.01 each in the capital of the Company were consolidated into one new share of HK\$0.20 each on 28 January 2003.

- (b) 根據股東特別大會通過之普通決議案，於二零零三年一月二十八日，本公司資本內每二十股每股面值0.01港元之已發行及未發行股份已合併為一股每股面值0.20港元之股份。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

25. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 21 July 1997 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 20 July 2007. Under the Scheme, the Board of Directors of the Company may grant options to full-time employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 23 July 2004, the number of shares in respect of which options had been granted under the Scheme was 5,900,000, representing 3% of the issued share capital of the Company at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the number of shares issued and issuable under the Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of grant to the 10th anniversary of the date of grant. The exercise price is determined by the Board of Directors of the Company, and will not be less than the higher of the 80% of average closing price of the Company's shares for the five business days immediately preceding the date of grant, and the nominal value of the Company's shares.

25. 購股權計劃

本公司之購股權計劃(「該計劃」)乃根據於一九九七年七月二十一日訂立之決議案所制定，其主要目的為鼓勵董事及合資格僱員之功績，並將於二零零七年七月二十日屆滿。根據該計劃之條款，董事會可向全職僱員(包括本公司或其附屬公司之執行董事在內)授出購股權以認購本公司股份。

於二零零四年七月二十三日，根據該計劃授出之購股權之股份數目為5,900,000股相等於本公司於當日已發行股本之3%。根據該計劃授出之購股權而發行之股份總數，於任何時間，不得超過本公司已發行股份之10%。有關向任何個別人士授出之購股權之股份數目不得超過根據該計劃已發行及須予發行之股份數目之25%。

授出之購股權必須於授出後二十八天內，在每次授出購股權支付1港元後領取。購股權可於授出日期起至授出日期十週年止期間內隨時行使。行使價經由本公司董事會釐定，並將不會低於緊接授出日期前五個營業日本公司平均收市價之80%與本公司股份面值兩者之間較高者。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

25. SHARE OPTION SCHEME – continued

No option pursuant to the Scheme was granted during the year.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

25. 購股權計劃 – 續

年內概無根據該計劃授出任何購股權。

已授出之購股權之財務影響並無記錄於本公司或本集團之資產負債表內，直至有關購股權獲行使；亦無於收益表內就年內授出之購股權價值確認任何扣減。於行使購股權後，本司將由此發行之股份按股份面值記錄為額外股本，而本公司將每股行使價高於股份面值之差額記錄於股份溢價賬內。於行使期前逾期失效或註銷之購股權自未行使購股權名冊中刪除。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

25. SHARE OPTION SCHEME – continued 25. 購股權計劃 – 續

The following table discloses details of the Company's share options and movements during the year:

本公司之購股權詳情及年內之變動見下表：

| | Date of grant 授出日期 | Exercisable period 可行使期間 | Exercise price per share 每股行使價 HK\$ 港元 (Note) (附註) | Outstanding | Adjusted | Outstanding |
|-----------------|-------------------------|--|--|--|---|--|
| | | | | at 1.4.2002 於 二零零二年 四月一日 尚未行使 | on 28.1.2003 於 二零零三年 一月二十八日 調整 (Note) (附註) | at 31.3.2003 and 31.3.2004 於二零零三年 三月三十一日 及二零零四年 三月三十一日 尚未行使 |
| Directors 董事 | 17.4.2001 17.12.2001 | 17.4.2001 – 16.4.2011 17.12.2001 – 16.12.2011 | 0.5504 0.7920 | 60,000,000 22,000,000 | (57,000,000) (20,900,000) | 3,000,000 1,100,000 |
| | | | | 82,000,000 | (77,900,000) | 4,100,000 |
| Employees 僱員 | 17.12.2001 | 17.12.2001 – 16.12.2011 | 0.7920 | 36,000,000 | (34,200,000) | 1,800,000 |
| Total 總計 | 17.4.2001 17.12.2001 | | | 60,000,000 58,000,000 | (57,000,000) (55,100,000) | 3,000,000 2,900,000 |
| | | | | 118,000,000 | (112,100,000) | 5,900,000 |

Note:

The number and the exercise price of options which remained outstanding on 28 January 2003 have been adjusted as a result of the share consolidation with effect on and from 28 January 2003.

附註：

於二零零三年一月二十八日尚未行使之購股權數目及行使價已根據於二零零三年一月二十八日起生效之股份合併作出調整。

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財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

26. RESERVES

26. 儲備

| | | Share premium 股份溢價 HK\$'000 千港元 | Dividend reserve 股息儲備 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Capital redemption reserve 股本贖回儲備 HK\$'000 千港元 | Accumulated profits (losses) 累積溢利 (虧損) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---------------------------------------|------------------|---|--|---|---|--|--------------------------------|
| THE COMPANY | 本公司 | | | | | | |
| At 1 April 2002 | 於二零零二年四月一日 | 54,559 | 3,133 | 139,656 | 401 | 481 | 198,230 |
| Premium on repurchase of shares | 行使購股權之溢價 | (296) | - | - | - | - | (296) |
| Share repurchase expenses | 購回股份之支出 | (74) | - | - | - | - | (74) |
| 2003 final dividend paid | 二零零三年建議 末期股息 | - | (3,133) | - | - | - | (3,133) |
| Transfer upon repurchase of shares | 轉撥自股份購回 | - | - | - | 325 | (325) | - |
| Net loss for the year | 本年度淨虧損 | - | - | - | - | (1,807) | (1,807) |
| At 1 April 2003 | 於二零零三年 四月一日 | 54,189 | - | 139,656 | 726 | (1,651) | 192,920 |
| Net loss for the year | 本年度淨虧損 | - | - | - | - | (553) | (553) |
| At 31 March 2004 | 於二零零四年 三月三十一日 | 54,189 | - | 139,656 | 726 | (2,204) | 192,367 |

The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries acquired by the Company and the nominal amount of the share capital issued by the Company under the corporate reorganisation in 1997, less distributions made out of contributed surplus.

In addition to the accumulated profits, under The Companies Act 1981 of Bermuda (as amended), the contributed surplus is also available for distribution to shareholders. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

本公司之繳入盈餘指本公司收購之附屬公司資產淨值之賬面值與本公司根據於一九九七年企業重組後所發行股本面值之溢額，扣除自繳入盈餘賬中作出之分派。

除累積溢利外，根據百慕達一九八一年公司法（經修訂），繳入盈餘賬亦可分派予各股東。然而，一間公司將不可宣派或派發股息或自繳入盈餘中作出分派，倘：

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

26. RESERVES – continued

- (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors of the Company, as at the balance sheet date, the Company's reserves available for distribution to shareholders were as follows:

26. 儲備 – 續

- (a) 該公司當時或於派款後無法償還到期之債務；或
- (b) 該公司資產之可變現值會因而減少至低於其債務與其已發行股本及股份溢價賬之總額。

本公司董事會認為，於結算日本公司可派發予股東的儲備如下：

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|---------------------|------|-------------------------|-------------------------|
| Contributed surplus | 實繳盈餘 | 139,656 | 139,656 |
| Accumulated losses | 累計虧損 | (2,204) | (1,651) |
| | | <u>137,452</u> | <u>138,005</u> |

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

27. DISPOSAL OF A SUBSIDIARY

On 18 January 2004, the Group disposed of the entire interest in 廣州市宏集電器貿易有限公司(“廣州宏集”). The net assets of 廣州宏集 at the date of disposal were as follows:

27. 出售附屬公司

於二零零四年一月十八日，本集團出售了廣州市宏集電器貿易有限公司(「廣州宏集」)的全部權益。於出售日期，廣州宏集的資產淨值如下：

| | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|--|-------------------------|-------------------------|
| Net assets disposed: 已出售之淨資產： | | |
| Property, plant and equipment 物業、廠房及設備 | 20 | — |
| Loss on disposal of a subsidiary 出售附屬公司之虧損 | (20) | — |
| Total consideration 總代價 | — | — |

The cash flows and results contributed by the subsidiary disposed during the year were not significant.

已出售之附屬公司於年內並無提供重大現金及業績貢獻。

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28. LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|---------------------------------------|-----------------|-------------------------|-------------------------|
| Within one year | 一年內 | 1,536 | 1,264 |
| In the second to fifth year inclusive | 兩年至五年(首尾兩年包括在內) | 1,067 | - |
| | | 2,603 | 1,264 |

Operating lease payments represent rentals payable by the Group for certain of its offices, showrooms and warehouses. Leases are fixed for an average of two years.

The Group as lessor

At the balance sheet date, the Company had contracted with tenant for the following future minimum lease payments:

| | | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|---------------------------------------|-----------------|-------------------------|-------------------------|
| Within one year | 一年內 | 250 | - |
| In the second to fifth year inclusive | 兩年至五年(首尾兩年包括在內) | 146 | - |
| | | 396 | - |

The leasehold land and buildings held for rental purpose has committed tenants for two years.

28. 經營租賃承擔

本集團作為租客

於結算日，本集團根據不可撤銷之經營租約承擔之未來最低租金付款如下：

經營租約付款即本集團租用若干辦公室所需繳付之租款，租約平均兩年訂立一次。

本集團作為業主

於結算日，本公司與租客簽訂之未來最低租金付款如下：

租賃土地及建築物用作出租用途均有租客承擔，年期為兩年。

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29. CAPITAL COMMITMENT

29. 資本承擔

THE GROUP

本集團

| | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
|---|-------------------------|-------------------------|
| Capital expenditure in respect of the acquisition of properties, plant and equipment contracted for but not provided in the financial statement | 2,921 | — |

30. CONTINGENT LIABILITIES

30. 或然負債

| | THE GROUP 本集團 | | THE COMPANY 本公司 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 | 2004 HK\$'000 千港元 | 2003 HK\$'000 千港元 |
| Guarantees given to banks in respect of banking facilities granted to a subsidiary | — | — | 565,090 | 263,090 |
| Guarantee given to a vendor in respect of goods supplied to subsidiaries | — | — | 84,112 | 84,112 |
| Guarantee given to customers in respect of non performance | 4,249 | 6,380 | — | — |
| | <u>4,249</u> | <u>6,380</u> | <u>649,202</u> | <u>347,202</u> |

The extent of banking facilities utilised by the subsidiaries at 31 March 2004 amounted to HK\$48,520,000 (2003: HK\$38,264,000).

於二零零四年三月三十一日，附屬公司動用的銀行融資達港幣48,520,000元（二零零三年：港幣38,264,000元）。

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31. PLEDGE OF ASSETS

At 31 March 2004, the Group's bank borrowings of HK\$18,101,000 (2003: nil) were secured by the properties held for sale with an aggregate net book value of HK\$36,209,000 (2003: nil).

32. RETIREMENT BENEFITS SCHEME

The Group has a defined contribution pension scheme for its qualifying employees. The scheme assets are held under a provident fund managed by Manual Life International Limited. The Group and its employees are each required to make contributions to the scheme calculated at 5% to 10% of the employees' basic salaries on a monthly basis. The employees are entitled to 100% of the Group's contribution and the related accrued interest after 10 years' of complete service, or at a reduced scale ranging between 30% to 90% after completion of 3 to 9 years' service. The forfeited contributions and related accrued interest are to be used to reduce the Group's contributions.

The above provident fund scheme was granted an exemption of the Mandatory Provident Fund Schemes. The principal deed and the rules of the above provident fund scheme were amended accordingly to comply with the rules of the Mandatory Provident Fund Schemes Ordinance.

31. 資產抵押

於二零零四年三月三十一日，本集團賬面淨值為36,209,000港元(二零零三年：無)之物業已作出集團總值18,101,000港元(二零零三年：無)之銀行借貸之抵押。

32. 退休福利計劃

本公司已為其合資格之僱員設立一項定額退休金供款計劃。該項計劃之資產由宏利保險國際有限公司所管理之公積金持有。本集團及僱員均須每月按僱員基本薪金5%至10%提供供款。僱員服務滿10年後，可全數收取本集團供款及有關應計利息，或服務滿三至九年後，可按30%至90%之遞減比例收取供款。沒收供款及有關之應計利息將用以扣減本集團供款。

上述之退休金供款計劃已被列入強制性公積金豁免範圍以內。其中主要規條及契約已根據強制性公積金計劃條例作適當修改。

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32. RETIREMENT BENEFITS SCHEME – continued

With effect from 1 December 2000, the Group also participates in a mandatory provident fund scheme. The scheme assets are held under a mandatory provident fund operated by Manual Life Provident Fund Trust Company Limited. Under the scheme, the Group is required to make contributions to the scheme calculated at 5% of the employees' relevant income (as defined in the Mandatory Provident Fund Schemes Ordinance) on a monthly basis.

The employees of the subsidiaries in the PRC are members of retirement benefits schemes operated by the PRC government. The relevant PRC subsidiaries are required to make contributions to the state retirement scheme in the PRC based on 11% to 22% of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of services in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to these retired staff.

The total cost charged to income statement of HK\$935,000 (2003: HK\$1,356,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

As at the balance sheet date, there were no forfeited contributions available to offset future contributions of the Group to the above schemes.

32. 退休福利計劃 – 續

本集團自二零零零年十二月一日亦已參予強制性公積金計劃。該項計劃資產同時由宏利保險國際有限公司所管理之公積金持有。本集團須每月按僱員薪金之5%提供供款(根據強制性公積金條例所規定)。

於中國附屬公司之僱員乃中國政府之退休福利計劃成員。有關中國附屬公司須按現有僱員每月薪金之11%至22%供款予中國之國家退休計劃。僱員可收取根據有關政府條文，以其退休時之基本薪金及服務年期計算而得之退休金。中國政府有責任承擔有關退休僱員之退休金。

收益表內總支出935,000港元(二零零三年：1,356,000港元)代表本集團於本會計期間有關此等計劃之應付供款。

於結算日，概無沒收供款可抵銷本集團就該計劃而需作出未來供款。

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33. RELATED PARTY TRANSACTIONS

The Group paid rentals amounting to HK\$588,000 to Napson during the year ended 31 March 2004 for the use of the Group's principal office (2003: HK\$798,000). The rentals were determined with reference to prevailing market rent when the relevant rental agreements were entered into.

34. ULTIMATE HOLDING COMPANY

In the opinion of the directors, Charmwood Development Limited, a company incorporated in Liberia, is the ultimate holding company of the Group.

35. POST BALANCE SHEET EVENTS

Subsequent to 31 March 2004, the Group entered into various agreements to acquire properties in an aggregate amount of HK\$16,552,000.

33. 有關人士之交易

本集團於截至二零零四年三月三十一日止年度共繳付租金588,000港元(二零零三年：798,000港元)予Napson，以租用本集團主要辦事處。此租金是參考簽訂有關租務協議時之市場租金而釐定。

34. 最終控股公司

董事會認為，在利比利亞成立之Charmwood Development Limited為本集團之最終控股公司。

35. 結算日後事項

於二零零四年三月三十一日後，本集團訂立了多項有關併購物業的協議，總值為港幣16,552,000港元。