

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

1. GENERAL

The Company is incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Fortune Star Tradings Ltd. ("Fortune Star"), a company which is incorporated in the British Virgin Islands.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in note 35.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005 except for HKFRS 3 "Business Combinations". The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 March 2005.

HKFRS 3 is applicable to business combinations for which the agreement date is on or after 1 January 2005. The Group has not entered into any business combination for which the agreement date is on or after 1 January 2005. Therefore HKFRS 3 did not have any impact on the Group for the year ended 31 March 2005.

The Group has considered these new HKFRSs but does not expect that the issuance of these HKFRSs will have a material effect on how the results of operations and financial position of the Group are prepared and presented.

1. 一般資料

本公司根據開曼群島公司法(經修訂)第二十二章於開曼群島註冊成立為一家獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其最終控股公司為Fortune Star Tradings Ltd. (「Fortune Star」)，一間於英屬維爾京群島註冊成立之公司。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註35。

2. 新近頒布會計準則產生之潛在影響

二零零四年，香港會計師公會頒布多項新訂或經修訂之香港會計準則及香港財務報告準則(統稱為「新香港財務報告準則」)，除新香港財務報告準則第3條「業務合併」外，該等準則於二零零五年一月一日或之後開始之會計期間生效。本集團並無提早於截至二零零五年三月三十一日止年度之財務報表中採納該等新香港財務報告準則。

新香港財務報告準則第3條適用於協議日期為二零零五年一月一日或之後之業務合併。本集團並無簽訂任何日期為二零零五年一月一日或之後之業務合併協議，因此，新香港財務報告準則第3條對本集團於截至二零零五年三月三十一日止年度並無構成影響。

本集團已評估該等新香港財務報告準則，並預期該等新香港財務報告準則之實施對本集團編製及呈列經營業績及財務狀況之方式不會有重大影響。

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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 property, plant and equipment of the Group, and 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 inter-company transactions and balances within the Group are eliminated on consolidation.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, 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.

Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group during the year.

3. 主要會計政策

本財務報表乃根據香港普遍採納之會計原則按歷史成本法編製而成，並已就物業、廠房及設備之重新估值作出調整。本財務報表所採納之主要會計政策茲列如下：

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至三月三十一日止之財務報表。

年內所收購或出售之附屬公司之業績，由收購生效日期起計或計至出售生效日期止（倘適用），計入綜合收益表。

本集團內各公司間之重大交易及結餘均於綜合賬目時予以對銷。

外幣

以外幣計價之交易均按交易當日之匯率折算。以該等貨幣結算之貨幣資產及負債均按結算日之匯率重新折算。因匯兌而產生之盈虧已包括在年內之淨溢利或虧損內。

在編製綜合賬目時，本集團在香港以外地區經營業務之資產及負債均按結算日之匯率折算。收入及費用項目均按年內之平均匯率折算。由此產生之匯兌差額（如有）列作股本權益及撥入本集團之匯兌儲備。當出售經營業務時，該等匯兌差額則被確認為該期間之收入或費用。

營業額

營業額指本集團於年內出售貨品之已收及應收款項淨額。

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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 is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Property, plant and equipment

Property, plant and equipment, other than buildings under construction, are stated in the balance sheet at their revalued amount, being the fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation and amortisation and any subsequent impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Buildings under construction are stated at cost which includes all construction costs and other direct costs, attributable to the buildings under construction. They are not depreciated or amortised until completion of construction. Costs of completed buildings under construction are transferred to the appropriate categories of property, plant and equipment.

Any surplus arising on revaluation of property, plant and equipment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

The valuation of freehold land is not amortised.

3. 主要會計政策(續)

收入確認

貨物銷售於貨物付運及擁有權轉移後確認。

利息收入乃按未收回本金及適用利率以時間比例基準計算。

附屬公司投資

附屬公司投資乃按成本值減去任何減值虧損而錄入本公司之資產負債表中。

物業、廠房及設備

除在建中樓宇外，物業、廠房及設備乃以重估值(指有關資產於重估當日按其當時用途之基準評估之公平價值減去其後之累計折舊及攤銷及任何減值虧損)於資產負債表中列示。有關資產乃定期進行重估，以確保其賬面值與於結算日之公平價值並無重大差額。

在建中樓宇乃按成本值入賬，成本值包括在建中樓宇應佔之所有建築成本及其他直接成本。在建中樓宇在落成前不作折舊或攤銷。在建中樓宇落成後其成本將轉入物業、廠房及設備之適當項目內。

因重估物業、廠房及設備而產生之盈餘會撥作資產重估儲備(除非有關資產於過往曾因重估虧絀而在收益表中確認為費用，則現時之重估盈餘將撥作收入，但不能超過以往之累計虧絀)。當重估一項資產而其重估價值低於其賬面淨值，則其虧絀將在收益表中確認為費用(除非該資產過往因重估而產生資產重估儲備，則該虧絀將對銷其累計資產重估儲備，而不足之數才在收益表中確認為費用)。已重估資產其後被出售或作廢，則其重估盈餘將撥入保留溢利中。

永久業權土地之估值並無攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

The valuation of leasehold land and land use rights is amortised over the period of the lease or rights respectively using the straight line method.

Depreciation and amortisation is provided to write off the valuation of buildings and leasehold improvements over their estimated useful lives, using the straight line method, at the rate of 5% per annum.

Depreciation is provided to write off the valuation of other property, plant and equipment over their estimated useful lives, using the reducing balance method, at the following rates per annum:

Furniture, fixtures and equipment	20%
Motor vehicles	25%
Moulds	33 $\frac{1}{3}$ %
Plant and machinery	20%

The gain or loss arising from 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.

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, unless the relevant asset is carried at a revalued amount under another standard issued by the HKICPA, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of impairment loss is treated as a revaluation increase under that standard.

3. 主要會計政策(續)

物業、廠房及設備(續)

租賃土地及土地使用權之估值乃按租賃期或使用權年期以直線法攤銷。

樓宇及租賃物業裝修之折舊及攤銷，乃按其估計可使用年期，以直線法按年率5%攤銷其估值。

其他物業、廠房及設備之折舊乃按其估計可使用年期以遞延減值法攤銷其估值，年率如下：

傢俬、裝置及設備	20%
汽車	25%
模具	33 $\frac{1}{3}$ %
廠房及機器	20%

因出售或廢棄資產而產生之盈虧，即出售資產所得款項與該資產之賬面值之差額，在收益表中確認。

減值

本集團於每個結算日審核其資產之賬面值，以釐訂有否出現任何跡象顯示該等資產已出現減值虧損。倘估計一項資產之可收回價值低於其賬面值，則該資產之賬面值會削減至其可收回價值。減值虧損即時確認為開支，但倘若有關資產乃根據香港會計師公會頒布之另一準則以重估值列賬時，則減值虧損會根據該項準則視為重估減值。

倘減值虧損隨後撥回，則該資產之賬面值乃增加至其可收回價值之修訂估值，惟所增加之賬面值不得超過資產於過往年度並無出現虧損時所釐訂之賬面值。所撥回之減值虧損即時確認為收入，但倘若有關資產乃根據另一準則以重估值列賬時，撥回之減值虧損會根據該項準則視作重估升值。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") are charged as an expense as they fall due.

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out annually. Actuarial gains and losses which exceed 10% of the greater of the present value of the defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the fair value of plan assets as adjusted for unrecognised actuarial gains and losses, and as reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

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 income statement items that are never taxable or deductible.

3. 主要會計政策(續)

存貨

存貨乃按成本或可變現淨值兩者之較低者入賬。成本乃按加權平均法計算。

退休福利成本

強制性公積金計劃(「強積金計劃」)之供款在到期時計入為開支。

就界定利益退休福利計劃而言，提供退休福利之成本乃按照預估單位利益法釐定，並每年進行精算估值。精算估值產生之盈虧倘超出界定利益責任之現值與計劃資產之公平值兩者之較高者10%，則有關盈虧須在參與計劃之僱員之預期剩餘平均工作年期內攤銷。倘有關福利已獲授予，過往之服務成本會即時確認入賬，否則則按直線法在平均年期內攤銷，直至經修訂之利益獲授予為止。

在資產負債表內確認之金額呈示計劃資產之公平值，並已為未確認之精算估值盈虧作出調整及已扣減界定利益責任之現值。據此計算之任何資產乃受限於未確認精算虧損及過往服務成本，加上計劃之可退回現值及未來供款之削減。

稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃根據年內應課稅溢利計算。應課稅溢利有別於收益表所報純利，因應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括收益表內永遠毋須課稅或不可扣稅之項目。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 taxable profit nor the accounting profit.

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 profits 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.

Operating leases

Leases are classified as finance leases when the terms of the leases transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of respective leases.

3. 主要會計政策(續)

稅項(續)

遞延稅項指因財務報表內資產與負債賬面值與計算應課稅溢利所採用之相應稅基之間的差額而預期應課或可收回之稅項，採用資產負債表負債法計算。在一般情況下，所有應課稅暫時性差額均會確認為遞延稅項負債；可扣稅暫時性差額倘很有可能在未來獲應課稅溢利抵銷，則會確認為遞延稅項資產。倘暫時性差額乃源於商譽(或負商譽)或一項交易(業務合併除外)中初步確認之其他資產及負債，且並無對應課稅溢利或會計溢利構成影響，則不會確認該等資產與負債。

因投資附屬公司而產生之應課稅暫時性差額乃確認為遞延稅項負債，惟倘暫時性差額之回撥可受本集團控制，且暫時性差額可能不會於可預見將來撥回則除外。

遞延稅項資產之賬面值於每個結算日作檢討，並調減至不再可能有足夠之應課稅溢利可供抵免全部或部份遞延稅項資產為限。

遞延稅項乃按預期償還負債或變現資產之期間之稅率計算。遞延稅項在收益表內扣除或計入收益表，除非稅項與直接從股本權益扣除或直接計入股本權益之項目有關，則遞延稅項亦會在股本權益內處理。

經營租約

凡租賃條款將租賃資產擁有權之一切風險及回報實際上撥歸予本集團之租賃合約，均列為融資租約。所有其他租約則列為經營租約。

根據經營租約應付之租金於有關租期內以直線法在收益表中扣除。

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4. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business segment analysis is provided as all of the Group's turnover and contribution to results were derived from the manufacture and sales of handbags and luggage for both years.

Geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

		Sales revenue by geographical market 按地區市場之銷售收入		Contribution to profit from operations 經營溢利貢獻	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
United States of America ("USA")	美國	732,597	746,534	98,736	84,868
Europe	歐洲	178,300	172,970	26,442	22,582
South America	南美洲	8,967	8,321	1,367	1,400
Hong Kong	香港	6,091	16,112	602	473
Others	其他地區	16,090	11,813	1,467	406
		942,045	955,750	128,614	109,729
(Deficit) surplus arising on revaluation of property, plant and equipment	重估物業、廠房及 設備產生之(虧絀)盈餘			(116)	2,648
Unallocated corporate expenses	未分配公司開支			(2,294)	(1,027)
Interest income	利息收入			2,409	799
Finance costs	財務費用			(811)	(777)
Gain on partial disposal of interest in a subsidiary	出售一間附屬公司 部份權益之收益			-	1,548
Gain on disposal of subsidiaries	出售附屬公司之收益			31,199	-
Profit before taxation	除稅前溢利			159,001	112,920
Income tax expenses	所得稅支出			(12,197)	(9,876)
Profit before minority interests	未計少數股東權益前溢利			146,804	103,044
Minority interests	少數股東權益			(13,218)	(883)
Profit attributable to shareholders	股東應佔溢利			133,586	102,161

4. 業務及地區分類

由於本集團所有之營業額及經營溢利貢獻均源自年內手袋及行李箱之製造及銷售，按業務分類之分析並無提供。

地區分類

下表提供本集團按地區市場(不分貨品原產地)劃分之銷售分析：

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Geographical segments (continued)

Since the goods sold to various geographical markets were produced from the same production facilities, an analysis of assets and liabilities by geographical market is not presented.

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

4. 業務及地區分類(續)

地區分類(續)

由於銷售往不同地區市場之產品乃產自相同之生產設施，故按地區市場劃分之資產及負債分析並無呈列。

按資產所在地區劃分之分類資產之賬面值及物業、廠房及設備之添置之分析如下：

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment 物業、廠房及設備之添置	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	299,277	219,031	1,487	155
People's Republic of China (the "PRC")	中華人民共和國 (「中國」)	196,202	197,965	16,096	8,137
Thailand	泰國	21,094	21,228	-	-
USA	美國	9,593	76,412	1,185	2,908
		526,166	514,636	18,768	11,200

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

5. PROFIT FROM OPERATIONS

5. 經營溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除：		
Directors' emoluments (note 7)	董事酬金 (附註7)	3,253	2,998
Other staff costs	其他職員成本	131,707	142,826
Other retirement benefits scheme contributions	其他退休福利計劃供款	928	1,005
Total staff costs	職員成本合計	135,888	146,829
Auditors' remuneration	核數師酬金	696	612
Bad debts written off	壞賬撇除	10	494
Cost of inventories	存貨成本	465,447	470,797
Deficit arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之虧絀	116	-
Depreciation and amortisation	折舊及攤銷	12,130	11,349
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	159	143
and after crediting:	並已計入：		
Interest income	利息收入	2,409	799
Rental income under operating leases, net of negligible outgoings	經營租約之租金收入 (已扣除輕微開支)	705	-
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之盈餘	-	2,648

6. FINANCE COSTS

6. 財務費用

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	利息：		
- bank borrowings wholly repayable within five years	- 須於五年內全數償還之銀行貸款	47	117
- other borrowings wholly repayable within five years	- 須於五年內全數償還之其他貸款	764	660
		811	777

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

7. DIRECTORS' EMOLUMENTS

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Directors' fees:	董事袍金：		
Executive	執行董事	-	-
Independent non-executive	獨立非執行董事	214	173
Other emoluments of executive directors:	執行董事之其他酬金：		
Salaries and other benefits	薪金及其他福利	2,779	2,739
Bonuses	花紅	209	38
Retirement benefits scheme contributions	退休福利計劃供款	51	48
		3,253	2,998

The emoluments of the directors were within the following bands:

		2005	2004
		二零零五年	二零零四年
		Number of	Number of
		directors	directors
		董事人數	董事人數
Up to HK\$1,000,000	截至1,000,000港元	7	7
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1

董事酬金介乎下列幅度：

During the year ended 31 March 2004 and 31 March 2005, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments for both years.

於截至二零零四年三月三十一日止及二零零五年三月三十一日止年度，本集團並無向五位最高薪酬之人士（包括董事及僱員）支付酬金，作為促使其加入或於加入本集團時之獎金，或離職補償。兩個年度概無董事放棄任何酬金。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

8. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2004: none) was a director of the Company whose emolument is included in the disclosures in note 7 above. The emoluments of the remaining four (2004: five) individuals were as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,913	10,546
Bonuses	花紅	-	7,187
		4,913	17,733

The emoluments were within the following bands:

		2005 二零零五年 Number of employees 僱員人數	2004 二零零四年 Number of employees 僱員人數
Up to HK\$1,000,000	截至1,000,000港元	1	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	3
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	-	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	-	1

9. INCOME TAX EXPENSES

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The charge comprises:	支出包括：		
Hong Kong Profits Tax	香港利得稅	11,615	9,811
Overprovision of Hong Kong Profits Tax in prior year	往年度超額撥備之香港利得稅	(15)	-
		11,600	9,811
Overseas taxation	海外稅項	597	65
		12,197	9,876

8. 僱員酬金

在本集團五位最高薪酬之人士中，包括一位(二零零四年：無)本公司董事，其薪酬已載於上文附註7。而其餘四位(二零零四年：五位)最高薪酬人士之酬金如下：

酬金介乎下列幅度：

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

9. INCOME TAX EXPENSES (CONTINUED)

A substantial portion of the Group's profits neither arises in, nor is derived from, Hong Kong and therefore is not subject to Hong Kong Profits Tax.

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

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

9. 所得稅支出(續)

本集團大部份溢利並非產自或源自香港，故毋須繳納香港利得稅。

香港利得稅乃按年內估計應課稅溢利按 17.5% (二零零四年：17.5%) 計算。

海外稅項乃按照個別管轄地區之課稅率而計算。

年內稅項開支與收益表所列溢利對賬如下：

		2005 二零零五年		2004 二零零四年	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before taxation	除稅前溢利	159,001		112,920	
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	按本地所得稅率 17.5% (二零零四年：17.5%) 之稅項	27,825	17.5	19,761	17.5
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	960	0.6	490	0.4
Tax effect of income that is not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收入之稅務影響	(8,168)	(5.1)	(1,963)	(1.7)
Tax effect of deferred taxation asset not recognised	未確認遞延稅項資產之稅務影響	-	-	204	0.2
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,161	0.7	1,146	1.0
Tax effect of offshore income not subject to tax	毋須課稅之離岸收入之稅務影響	(9,324)	(5.9)	(9,280)	(8.3)
Overprovision in prior year	往年度超額撥備	(15)	-	-	-
Utilisation of tax losses not previously recognised	動用過往未確認之稅項虧損	(1,005)	(0.6)	(701)	(0.6)
Effect of different tax rates of operation in other jurisdictions	於其他管轄地區經營業務之不同稅率之影響	763	0.5	219	0.2
Tax expense and effective tax rate for the year	本年度之稅項支出及實際稅率	12,197	7.7	9,876	8.7

Details of deferred taxation at the balance sheet date and during the year are set out in note 23.

遞延稅項於結算日及年內之詳情載於附註 23。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

10. DIVIDENDS

Interim dividend paid of HK\$0.03 (2004: HK\$0.03) per share	已派發中期股息每股3港仙 (二零零四年：3港仙)
Final dividend proposed of HK\$0.05 (2004: HK\$0.05) per share	建議末期股息每股5港仙 (二零零四年：5港仙)

The final dividend of HK\$0.05 (2004: HK\$0.05) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to shareholders of HK\$133,586,000 (2004: HK\$102,161,000) and 825,000,000 (2004: 825,000,000) shares in issue during the year.

10. 股息

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
24,750	24,750
41,250	41,250
66,000	66,000

董事會已建議派發末期股息每股5港仙(二零零四年：5港仙)，惟須待股東於週年大會上批准。

11. 每股盈利

每股基本盈利乃按年內股東應佔溢利133,586,000港元(二零零四年：102,161,000港元)除以已發行股份825,000,000股(二零零四年：825,000,000股)而計算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings	Buildings under construction	Furniture, fixtures and equipment	Leasehold improve- ments	Motor vehicles	Moulds	Plant and machinery	Total
		土地 及樓宇	在建中 樓宇	傢俬、 裝置及 設備	租賃 物業裝修	汽車	模具	廠房及 機器	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團								
COST OR VALUATION	成本值或估值								
At 1 April 2004	於二零零四年四月一日	94,046	4,261	8,445	11,380	1,761	140	13,827	133,860
Currency realignment	貨幣調整	202	-	-	-	-	-	17	219
Additions	添置	3,978	7,089	2,994	1,560	1,477	-	1,670	18,768
Disposals	出售	-	-	(56)	-	(286)	-	(45)	(387)
Upon disposal of subsidiary	出售附屬公司	-	-	(1,887)	(2,533)	-	-	-	(4,420)
Adjustment arising on revaluation	因重估產生 之調整	17,877	-	(2,160)	(958)	(425)	(17)	(1,314)	13,003
Reclassification	分類轉賬	5,122	(5,122)	-	-	-	-	-	-
At 31 March 2005	於二零零五年 三月三十一日	121,225	6,228	7,336	9,449	2,527	123	14,155	161,043
Comprising:	包括：								
At cost	按成本值	-	6,228	-	-	-	-	-	6,228
At valuation	按估值	121,225	-	7,336	9,449	2,527	123	14,155	154,815
		121,225	6,228	7,336	9,449	2,527	123	14,155	161,043
DEPRECIATION AND AMORTISATION	折舊及攤銷								
At 1 April 2004	於二零零四年 四月一日	-	-	-	-	-	-	-	-
Provided for the year	本年度撥備	5,662	-	1,852	1,311	586	47	2,672	12,130
Eliminated on revaluation	重估時對銷	(5,662)	-	(1,852)	(1,311)	(586)	(47)	(2,672)	(12,130)
At 31 March 2005	於二零零五年 三月三十一日	-	-	-	-	-	-	-	-
NET BOOK VALUES	賬面淨值								
At 31 March 2005	於二零零五年 三月三十一日	121,225	6,228	7,336	9,449	2,527	123	14,155	161,043
At 31 March 2004	於二零零四年 三月三十一日	94,046	4,261	8,445	11,380	1,761	140	13,827	133,860

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings includes assets carried at valuation of HK\$11,774,000 (2004: Nil) in respect of assets held for use under operating leases.

The Group's property, plant and equipment, other than property interests situated in Thailand, were revalued at 31 March 2005 by Sallmanns (Far East) Limited, an independent firm of professional property, plant and machinery valuers, on the basis of fair market value in continued use as part of an on-going business.

The Group's property interests situated in Thailand were revalued at 31 March 2005 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuers, on the basis of open market value in existing use.

The net surplus of HK\$25,133,000 (2004: deficit of HK\$4,023,000) arising on the above revaluation has been dealt with as follows:

- (i) a surplus of HK\$25,249,000 (2004: HK\$1,375,000) of which HK\$25,484,000 (2004: HK\$1,304,000), net of minority interests' share of deficit of HK\$235,000 (2004: surplus of HK\$71,000) has been credited to the asset revaluation reserve; and
- (ii) a deficit of HK\$116,000 (2004: surplus of HK\$2,648,000) has been debited to the consolidated income statement.

12. 物業、廠房及設備(續)

土地及樓宇包括估值為11,774,000港元(二零零四年:無)之資產乃持有作經營租約用途。

本集團之物業、廠房及設備,除設於泰國之物業權益外,均由獨立專業物業、廠房及機器估值師,西門(遠東)有限公司,於二零零五年三月三十一日以公平市價,並按有關資產將繼續使用作原來業務運作之基準重估。

本集團設於泰國之物業權益於二零零五年三月三十一日由獨立專業物業估值師,Thai Property Appraisal Lynn Philips Co., Ltd.,按其現有用途之公開市場價值基準重估。

因上述重估而產生的淨盈餘25,133,000港元(二零零四年:虧絀4,023,000港元)已處理入賬如下:

- (i) 25,249,000港元(二零零四年:1,375,000港元)盈餘,當中扣除少數股東權益所佔虧絀235,000港元(二零零四年:盈餘71,000港元)後之25,484,000港元(二零零四年:1,304,000港元)已撥入資產重估儲備;及
- (ii) 116,000港元虧絀(二零零四年:2,648,000港元盈餘)已計入綜合收益表內。

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財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If the above property, plant and equipment had not been revalued, they would have been included in these financial statements on a historical cost basis at the following amounts:

		Land and buildings	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles	Moulds	Plant and machinery	Total
		土地及樓宇	傢俬、裝置及設備	租賃物業裝修	汽車	模具	廠房及機器	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團							
Cost	成本	133,995	16,674	17,195	6,369	887	40,208	215,328
Accumulated depreciation and amortisation	累計折舊及攤銷	(38,864)	(12,195)	(8,491)	(4,716)	(887)	(32,879)	(98,032)
Net book values	賬面淨值							
At 31 March 2005	於二零零五年三月三十一日	95,131	4,479	8,704	1,653	-	7,329	117,296
At 31 March 2004	於二零零四年三月三十一日	91,499	5,005	10,995	861	-	7,649	116,009

12. 物業、廠房及設備(續)

倘本集團之物業、廠房及設備並無進行重估，其將會按原來成本值呈列如下：

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THE GROUP 本集團

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The net book value of the Group's property interests comprises:	本集團物業權益之賬面淨值包括：		
Properties	物業		
- freehold in Thailand	- 在泰國以永久業權持有	19,345	19,246
- held under medium-term land use rights in the PRC	- 在中國以中期土地使用權持有	101,880	74,800
		121,225	94,046

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財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

13. DEPOSITS PAID ON ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

THE GROUP

At 31 March 2004, the deposits were paid by the Group in connection with the acquisition of property, plant and equipment for future expansion. The related capital commitments were included in note 31.

During the year ended 31 March 2005, the acquisition was terminated and the deposits paid were then refunded.

14. INVESTMENTS IN SUBSIDIARIES

Unlisted shares (*Note*)

未上市之股份 (*附註*)

215,145

Note: The carrying value of the unlisted shares is based on the underlying net tangible assets of the subsidiaries at the time when they became members of the Group pursuant to the group reorganisation in December 2001.

Details of the Company's principal subsidiaries at 31 March 2005 are set out in note 35.

13. 購置物業、廠房及設備之已付訂金

本集團

於二零零四年三月三十一日，所付訂金乃本集團為將來擴充所購置之物業、廠房及設備之訂金。相關之資本承擔已包含在附註31。

於截至二零零五年三月三十一日止年度內，該項購置已終止而已付之訂金已隨之退回。

14. 附屬公司權益

THE COMPANY

本公司

2005 & 2004

二零零五年及

二零零四年

HK\$'000

千港元

附註： 未上市股份之賬面值乃附屬公司透過二零零一年十二月之集團重組而成為本集團成員當時之有形資產淨值。

於二零零五年三月三十一日，本公司之主要附屬公司之詳情載於附註35。

Notes to the Financial Statements

財務報表附註

For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

15. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

All inventories were carried at cost at the balance sheet date.

16. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 60 days to its trade customers.

Included in trade and other receivables are trade and bills receivables of HK\$85,114,000 (2004: HK\$142,161,000). The aged analysis of trade and bills receivables at the balance sheet date is as follows:

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	90天以上

15. 存貨

THE GROUP 本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
30,898	46,658
18,805	27,221
16,293	31,805
65,996	105,684

所有存貨乃以結算日之成本記賬。

16. 貿易及其他應收款項

本集團給予貿易客戶之除賬期平均為30天至60天。

貿易及其他應收款項包括應收貿易及應收票據賬款85,114,000港元(二零零四年: 142,161,000港元), 應收貿易及應收票據賬款於結算日之賬齡分析如下:

THE GROUP 本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
38,035	88,296
19,014	29,535
11,781	7,696
16,284	16,634
85,114	142,161

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17. AMOUNT DUE FROM A RELATED COMPANY

THE GROUP

The amount represented trading balance due from Lee And Man Manufacturing Company Limited ("Lee & Man Manufacturing"), which was beneficially owned by Ms. Lee Marina Man Wai, a director of the Company. The amounts for the year ended 31 March 2004 were aged less than 30 days.

The amount was unsecured, interest-free and fully repaid during the year.

18. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bills payables of HK\$40,753,000 (2004: HK\$71,093,000). The aged analysis of trade and bills payables at the balance sheet date is as follows:

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至 90天
Over 90 days	90天以上

19. AMOUNTS DUE TO RELATED COMPANIES

THE GROUP

The amounts represented trading balances due to certain subsidiaries of Hans Energy Company Limited (formerly known as Wisdom Venture Holdings Limited) ("Hans Energy"), which was an associate (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of Fortune Star. The amounts for the year ended 31 March 2004 were aged less than 60 days.

During the year, Fortune Star has acquired the remaining shares of these subsidiaries from Hans Energy. Accordingly, the amounts are reclassified as amounts due to fellow subsidiaries.

17. 應收關連公司款項

本集團

此款呈示應收理文製造廠有限公司(「理文製造廠」)之貿易結餘。理文製造廠由本公司董事李文慧女士實益擁有。該款項於截至二零零四年三月三十一日止年度之賬齡少於30天。

該款項乃無抵押、免息及於年內全數償還。

18. 貿易及其他應付款項

貿易及其他應付款項包括應付貿易及應付票據賬款40,753,000港元(二零零四年: 71,093,000港元), 應付貿易及應付票據賬款於結算日之賬齡分析如下:

THE GROUP

本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
32,263	52,580
7,527	17,820
281	533
682	160
40,753	71,093

19. 應付關連公司款項

本集團

此款呈示應付漢思能源有限公司(前稱智業控股有限公司)(「漢思能源」)若干附屬公司之貿易結餘。漢思能源乃 Fortune Star之聯繫人(按聯交所證券上市規則(「上市規則」)之涵義)。該款項於截至二零零四年三月三十一日止年度之賬齡少於60天。

年內, Fortune Star已從漢思能源收購該等附屬公司之餘下股份。因此, 該款項重新界定為應付同系集團附屬公司款項。

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For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

20. AMOUNTS DUE TO FELLOW SUBSIDIARIES

THE GROUP

The amounts are unsecured, interest free and have no fixed terms of repayment. The aged analysis of the amounts is within 60 days.

21. LAND AND BUILDINGS COSTS PAYABLE

THE GROUP

The balance represents the amount payable for the acquisition of land and buildings and is payable within one year.

22. BANK AND OTHER BORROWINGS

Other loan	其他借款
Bank overdrafts	銀行透支

At 31 March 2004, other loan represented advances from a factoring company in the USA of a former subsidiary. The loan bore interest at United States Prime Rate minus 2% per annum and was repayable on demand. The loan was secured by certain property, plant and equipment and inventories of a former subsidiary of the Company amounting to HK\$3,955,000 and HK\$20,791,000 respectively.

20. 應付同系集團附屬公司款項

本集團

該款項乃無抵押、免息及無固定還款期。該款項之賬齡在60天以內。

21. 應付土地及樓宇成本

本集團

此結餘呈示購置土地及樓宇之應付金額，並於一年內到期。

22. 銀行及其他借貸

THE GROUP

本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
-	19,751
2,234	153
2,234	19,904

於二零零四年三月三十一日，其他借款乃一前附屬公司從美國一代理公司之墊支借款。該借款乃按美國最優惠利率減2厘之年息率計息，並須應要求償還。該借款乃以本公司一前附屬公司若干物業、廠房及設備及存貨作抵押，金額分別為3,955,000港元及20,791,000港元。

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23. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods.

23. 遞延稅項

已確認之主要遞延稅項負債及資產及其於現時及前報告期間之變動情況如下：

		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元	Revaluation of property, plant and equipment 物業、廠房及 設備重估 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
THE GROUP	本集團				
At 1 April 2003 and 2004	於二零零三年及 二零零四年 四月一日	–	–	–	–
Charge (credit) to income for the year	年內收益扣除 (計入)	124	–	(124)	–
Charge to equity for the year	年內權益扣除	–	1,754	–	1,754
At 31 March 2005	於二零零五年 三月三十一日	124	1,754	(124)	1,754

At the balance sheet date, the Group had unutilised tax losses of HK\$18,764,000 (2004: HK\$34,106,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$711,000 (2004: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$18,053,000 (2004: HK\$34,106,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

於結算日，本集團尚未動用但可用作抵扣未來課稅溢利之稅項虧損為18,764,000港元(二零零四年：34,106,000港元)。其中就該虧損確認了711,000港元(二零零四年：無)之遞延稅項資產。因為未來溢利的不可預見性，所以並未就剩餘之18,053,000港元(二零零四年：34,106,000港元)虧損確認遞延稅項資產。稅項虧損可無限期結轉。

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For the year ended 31 March 2005 截至二零零五年三月三十一日止年度

24. SHARE CAPITAL

THE COMPANY

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	普通股每股0.1港元：		
Authorised:	法定：		
At 1 April 2003,	於二零零三年四月一日、		
31 March 2004	二零零四年三月三十一日		
and 31 March 2005	及二零零五年三月三十一日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 April 2003,	於二零零三年四月一日、		
31 March 2004	二零零四年三月三十一日		
and 31 March 2005	及二零零五年三月三十一日	825,000,000	82,500

There was no movement in the Company's share capital for both years.

24. 股本

本公司之股本於兩個年度並無變動。

25. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 13 December 2010.

Under the Scheme, the Board of Directors of the Company (the "Directors") may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

25. 購股權計劃

本公司根據一項於二零零一年十二月十四日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合適人士。計劃從採納後十年內有效，並於二零一零年十二月十三日屆滿。

根據計劃，本公司董事會（「董事會」）可酌情向(i)本集團、本集團擁有股本權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員或顧問；或(ii)受益人包括本集團或其聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或其聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由董事會於不時決定之任何客戶、供應商或顧問授予購股權以認購本公司股份（「股份」）。

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25. SHARE OPTION SCHEME (CONTINUED)

Options granted must be taken up within 21 days of the date of grant. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at any point in time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Directors (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price is equal to the highest of (i) nominal value of the Shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

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.

No options were granted by the Company under the Scheme since its adoption.

25. 購股權計劃(續)

獲授予之購股權必須於獲授日起計21天內接納。有關根據計劃所授出之購股權所涉及之股份數目，在任何時候最高不得超過本公司已發行股本之10%。除非根據上市規則獲得本公司股東批准，否則於任何十二個月期間授予任何個別人士之購股權之最高股份數目，不得超過於該十二個月期間之最後一日已發行股份之1%。

購股權可於董事會釐定之有關期間(該期間將由發行有關購股權起計十年內，並包括購股權可予行使前必須持有之最短期限(如有))內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)股份之面值；(ii)股份於授出購股權當日聯交所每日報價表所列之每股收市價；及(iii)股份於緊貼授出日期前五個交易日在聯交所之每日報價表所列之平均每股收市價。

在購股權被行使當日前，授出購股權之財務影響並未錄入本公司或本集團之資產負債表，年內授出購股權之價值亦未在收益表中確認為支出。直至行使購股權時，本公司乃按股份之票面值將行使購股權所發行之股份記錄為新增之股本，而每股行使價超出股份票面值之餘額則錄入本公司之股份溢價賬中。已失效或於行使日期前已被取消之購股權將從未行使之購股權登記冊中刪除。

自計劃採納以來，本公司並無根據計劃授出購股權。

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26. RESERVES

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
THE COMPANY	本公司				
At 1 April 2003	於二零零三年四月一日	20,307	112,338	41,478	174,123
Profit attributable to shareholders	股東應佔溢利	–	–	65,984	65,984
Dividends (note 10)	股息(附註10)	–	–	(66,000)	(66,000)
At 31 March 2004	於二零零四年三月三十一日	20,307	112,338	41,462	174,107
Profit attributable to shareholders	股東應佔溢利	–	–	65,952	65,952
Dividends (note 10)	股息(附註10)	–	–	(66,000)	(66,000)
At 31 March 2005	於二零零五年三月三十一日	20,307	112,338	41,414	174,059

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to the group reorganisation in December 2001 and the nominal value of the Company's shares issued for the acquisition.

The Company's reserves available for distribution to its shareholders comprise share premium, contributed surplus and accumulated profits which in aggregate amounted to approximately HK\$174.1 million as at 31 March 2005 (2004: HK\$174.1 million). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company.

27. PARTIAL DISPOSAL OF INTEREST IN A SUBSIDIARY

During the year ended 31 March 2004, the Group disposed of 49% equity interest in Cititower Pacific Limited ("Cititower") for a consideration of HK\$17,141,000 to a director and an employee of a subsidiary of the Company (collectively the "Purchasers"). The disposal resulted in a gain of HK\$1,548,000 to the Group for the year ended 31 March 2004.

26. 儲備

本公司之實繳盈餘乃本公司透過二零零一年十二月之集團重組所收購之附屬公司之有形資產淨值總和與本公司因該收購而發行之股本面值之差額。

於二零零五年三月三十一日，本公司可分派予股東之儲備，包括股份溢價、實繳盈餘及累計溢利累計達約 174,100,000 港元(二零零四年：174,100,000 港元)。根據開曼群島公司法(經修訂)，本公司之股份溢價可用作分派或作為股息派發予股東，惟該分派及派發股息須符合本公司組織章程大綱及細則之規定及在分派及派發股息後，本公司亦可足以於日常業務之債項到期時償還款項。根據本公司之組織章程及細則，本公司之股息可由溢利或其他儲備，包括股份溢價賬中提取。

27. 出售一間附屬公司部份權益

於截至二零零四年三月三十一日止年度內，本集團已出售於Cititower Pacific Limited (「Cititower」)之49%權益予本公司一附屬公司之一名董事及一名僱員(統稱為「買主」)，代價為17,141,000港元。是次出售為本集團於截至二零零四年三月三十一日止年度帶來1,548,000港元之收益。

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28. DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of all the interest in Foreland Pacific Limited and its subsidiaries for a consideration of HK\$56,930,000. The net assets of Foreland Pacific Limited and its subsidiaries at the date of disposal were as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之淨資產		
Property, plant and equipment	物業、廠房及設備	4,420	—
Inventories	存貨	24,140	—
Trade and other receivables	應收貿易及其他款項	61,118	—
Taxation recoverable	可收回稅項	269	—
Bank balances and cash	銀行結餘及現金	8,442	—
Trade and other payables	應付貿易及其他款項	(38,192)	—
Taxation payable	應付稅項	(423)	—
Bank and other borrowings	銀行及其他借貸	(9,322)	—
Minority interests	少數股東權益	(24,721)	—
		25,731	—
Gain on disposal	出售之收益	31,199	—
Total consideration	總代價	56,930	—
Satisfied by:	支付方式：		
Cash	現金	56,930	—
Net cash inflow arising on disposal:	來自出售之淨現金流入：		
Cash consideration	現金代價	56,930	—
Bank balances and cash disposed of	已出售之銀行結餘及現金	(8,442)	—
		48,488	—

The subsidiaries disposed of during the year contributed HK\$239,018,000 (2004: HK\$306,054,000) to the Group's turnover and HK\$30,626,000 (2004: HK\$13,887,000) to the Group's profit from operations.

28. 出售附屬公司

年內，本集團以代價HK\$56,930,000出售Foreland Pacific Limited及其附屬公司之全部權益。Foreland Pacific Limited及其附屬公司於出售當天之淨資產如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
NET ASSETS DISPOSED OF		
Property, plant and equipment	4,420	—
Inventories	24,140	—
Trade and other receivables	61,118	—
Taxation recoverable	269	—
Bank balances and cash	8,442	—
Trade and other payables	(38,192)	—
Taxation payable	(423)	—
Bank and other borrowings	(9,322)	—
Minority interests	(24,721)	—
	25,731	—
Gain on disposal	31,199	—
Total consideration	56,930	—
Satisfied by:		
Cash	56,930	—
Net cash inflow arising on disposal:		
Cash consideration	56,930	—
Bank balances and cash disposed of	(8,442)	—
	48,488	—

出售之附屬公司於年內貢獻239,018,000港元(二零零四年：306,054,000港元)予本集團之營業額及30,626,000港元(二零零四年：13,887,000港元)予本集團之經營溢利。

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29. MAJOR NON CASH TRANSACTION

Among the total consideration of HK\$17,141,000 for the disposal of Cititower, HK\$11,291,000 was offset with the bonuses payable to the Purchasers during the year ended 31 March 2004.

29. 主要非現金交易

在出售Cititower之總代價17,141,000港元中，其中11,291,000港元乃與截至二零零四年三月三十一日止年度內應付予買主之花紅對銷。

30. OPERATING LEASES

30. 經營租約

		THE GROUP 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Minimum lease payments paid under operating leases in respect of	經營租約之最低租金付款		
– land and buildings	– 土地及樓宇	3,305	5,801
– equipment	– 設備	225	1,724
		3,530	7,525

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

於結算日，本集團就不可註銷經營租約之未來最低租金付款承擔如下：

		THE GROUP 本集團			
		Land and buildings 土地及樓宇		Equipment 設備	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	608	3,708	–	418
In the second to fifth year inclusive	於第二至第五年內	574	5,930	–	543
Over five years	超過五年	–	191	–	–
		1,182	9,829	–	961

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32. CONTINGENT LIABILITIES

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Export bills discounted with recourse	附有追索權之出口票據貼現	-	2,225	-	-
Guarantees given to banks in respect of credit facilities extended to subsidiaries	就附屬公司獲授之信貸額而向銀行作出之擔保	-	-	80,500	93,300

At 31 March 2005, the subsidiaries of the Company have not utilised any of the facilities granted by the banks which are guaranteed by the Company.

於二零零五年三月三十一日，本公司之附屬公司並無使用由銀行就本公司作出擔保而授予之任何信貸。

33. RETIREMENT BENEFIT SCHEMES

Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of companies under the control of Fortune Star. In December 2000, all the then existing members of the defined benefit scheme were enrolled into a MPF Scheme and their accrued benefits for the past services under the defined benefit scheme were frozen as at 30 November 2000. The defined benefit scheme was closed to new employees from December 2000 onwards.

Under the defined benefit scheme, employees are entitled to retirement benefits varying between 0 and 100% of their salary as at 30 November 2000 multiplied by the pensionable service up to 30 November 2000 on attainment of a retirement age of 55. No other post-retirement benefits are provided.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 March 2005 by HSBC Life (International) Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

33. 退休福利計劃

界定利益計劃

本集團為一項界定利益計劃之成員，該計劃專為受Fortune Star控制之公司之合資格僱員而設。於二零零零年十二月，界定利益計劃當時之所有成員已登記加入強積金計劃，其於界定利益計劃下過往服務之累積利益已於二零零零年十一月三十日被凍結，界定利益計劃亦由二零零零年十二月起不再接受新僱員加入。

根據界定利益計劃，僱員於年屆五十五歲退休之齡時，可收取之退休福利乃相等於其於二零零零年十一月三十日之薪酬之0%至100%不等，並乘以截至二零零零年十一月三十日止之應計算退休金之服務年資。本集團並未提供其他退休後福利。

計劃資產及界定利益承擔現值之最近期精算評估乃由滙豐人壽保險(國際)有限公司於二零零五年三月三十一日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位利益法計算。

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33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The main actuarial assumptions used were as follows:

Discount rate	貼現率
Expected return on plan assets	計劃資產預期回報
Expected rate of salary increases	薪酬預期增幅

The actuarial valuation shows that the market value of plan assets at 31 March 2005 was HK\$9,046,000 (2004: HK\$10,700,000) and that the actuarial value of these assets represented 114% (2004: 150%) of the benefits that were accrued to members.

The charge (credit) recognised in the consolidated income statement in respect of the defined benefit scheme is as follows:

Current service cost	現時服務成本
Interest cost	利息成本
Expected return on plan assets	計畫資產預期回報
Past service cost	過往服務成本
Net actuarial gains	精算淨收益
Total, included in administrative expenses	合計，已包括入行政費用

The actual return on plan assets for the year was HK\$492,000 (2004: HK\$510,000).

33. 退休福利計劃(續)

界定利益計劃(續)

所採用之主要精算假設如下：

2005 二零零五年 Per annum 年率	2004 二零零四年 Per annum 年率
5%	5%
5%	5%
0%	0%

精算評估顯示計劃資產於二零零五年三月三十一日之市值為9,046,000港元(二零零四年：10,700,000港元)，而該等資產之精算價值乃相當於計劃成員應得利益之114%(二零零四年：150%)。

在綜合收益表內就界定利益計劃已確認之開支(收入)如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
-	-
275	294
(489)	(513)
777	765
(19)	(4)
544	542

本年度計劃資產之實際回報為492,000港元(二零零四年：510,000港元)。

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33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The amount included in the balance sheet in respect of the Group's defined benefit scheme is as follows:

Fair value of plan assets	計劃資產之公平價值
Unrecognised actuarial losses	未確認之精算虧損
Present value of funded obligations	承擔款項之現值

The fair value of the plan assets does not include any equity shares in the Company or property held by the Group.

Movements in the net asset in the year were as follows:

At beginning of the year	於年初
Amounts charged to income	已於收入扣除之數額
At end of the year	於年終

Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK\$1,000 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

33. 退休福利計劃(續)

界定利益計劃(續)

本集團之界定利益計劃已列入資產負債表之數額如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
9,046	10,700
2,243	366
(7,923)	(7,156)
3,366	3,910

計劃資產之公平價值並無包含本公司之股本權益或本集團持有之物業。

年內資產淨額變動如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
3,910	4,452
(544)	(542)
3,366	3,910

界定供款計劃

本集團為所有合資格的僱員設立一項強積金計劃。該計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,000港元或有關每月薪酬成本之5%（以較低者為準），而僱員之供率比率相同。

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34. CONNECTED TRANSACTIONS AND BALANCES

The Group had significant transactions and balances with related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules, during the year and at the balance sheet date as follows:

34. 關連交易及結餘

年內，本集團與相關各方，當中包括根據上市規則同時被界定為關連人士所進行之重大交易及於年結日之結餘如下：

Name of party	Nature of transactions/balance	THE GROUP	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
			本集團
關連方名稱	交易性質／結餘		
Hans Energy and its subsidiaries ("Hans Energy Group") 漢思能源及其附屬公司 (「漢思集團」)	Corrugated cardboard and carton boxes purchased (note a) 購買瓦楞紙板及紙箱 (附註a)	5,583	7,309
	Management fee income received (note b) 管理費收入 (附註b)	432	737
	Balance due to the Hans Energy Group 應付漢思集團結餘	-	1,545
Lee & Man Manufacturing 理文製造廠	Management fee income received (note b) 管理費收入 (附註b)	210	269
	Licence fee received (note c) 已收使用權費 (附註c)	705	-
	Balance due from Lee & Man Manufacturing 應收理文製造廠結餘	-	20
Lee & Man Paper Manufacturing Limited ("Lee & Man Paper Manufacturing") 理文造紙有限公司 (「理文造紙」)	Management fee income received (note d) 管理費收入 (附註d)	399	505
Lee & Man Realty Investment Limited ("Lee & Man Realty") 理文置業有限公司 (「理文置業」)	Licence fee paid (note e) 已付使用權費 (附註e)	1,368	1,454
Subsidiaries of Fortune Star Fortune Star之附屬公司	Corrugated cardboard and carton boxes purchased (note a) 購買瓦楞紙板及紙箱 (附註a)	1,121	-
	Management fee income received (note b) 管理費收入 (附註b)	143	-
	Balance due to subsidiaries of Fortune Star 應付Fortune Star附屬公司結餘	544	-

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34. CONNECTED TRANSACTIONS AND BALANCES (CONTINUED)

On 1 August 2003, the Group disposed of 32.67% equity interest in Cititower to a director of Cititower for a consideration of HK\$11,427,000. Cititower is a former subsidiary of the Company.

Notes:

- a. The Group has agreed to purchase corrugated cardboard and carton boxes from time to time from Lee & Man Industrial Manufacturing Limited ("Lee & Man Industrial"). The purchase prices are negotiated on a case by case basis in the ordinary course of business by reference to the prevailing market conditions.

Lee & Man Industrial is beneficially owned by Capital Nation Investments Limited ("Capital Nation"), which was a former subsidiary of Hans Energy and was disposed of to a subsidiary of Fortune Star on 29 December 2004.

- b. The Group has agreed to procure its subsidiaries to provide (i) use of office facilities and equipment, (ii) use of transportation facilities, and (iii) management service including administrative and financial services to Lee & Man Paper Products Company Limited and Lee & Man Manufacturing for a monthly management fee on a cost basis.

Lee & Man Paper Products Company Limited is beneficially owned by Capital Nation.

- c. Pursuant to a licence agreement (the "Licence Agreement") entered into between Lee & Man Company Limited ("Lee & Man Company"), a wholly-owned subsidiary of the Company, and Lee & Man Manufacturing, Lee & Man Company has agreed to grant licence to Lee & Man Manufacturing to enter into possession of and occupy certain facilities and office space at Gao Bu Industrial Park for a term of one year (which may be extended annually if agreed by both parties) commencing 1 April 2004 for a monthly licence fee of approximately RMB40,000.

34. 關連交易及結餘(續)

於二零零三年八月一日，本集團以11,427,000港元之代價出售Cititower之32.67%股本權益予Cititower之一名董事。Cititower乃本公司之前附屬公司。

附註：

- a. 本集團同意將會陸續從Lee & Man Industrial Manufacturing Limited (「理文實業」) 購買瓦楞紙板及紙箱。購買價格於日常業務過程中參考當時市場情況後逐次商議。

理文實業乃由Capital Nation Investments Limited (「Capital Nation」) 實益擁有。Capital Nation 為漢思能源之前附屬公司及於二零零四年十二月二十九日出售予 Fortune Star。

- b. 本集團同意促使其附屬公司向理文紙品有限公司及理文製造廠提供(i)辦公室設施及設備；(ii)運輸設施；及(iii)管理服務包括行政及財政服務，並按成本每月收取管理費。

理文紙品有限公司乃由Capital Nation 實益擁有。

- c. 根據理文洋行有限公司(「理文洋行」，本公司之全資附屬公司)與理文製造廠簽訂一份使用權協議(「使用權協議」)，理文洋行同意授予理文製造廠於高埗工業城若干指定設施及寫字樓地方之使用權，由二零零四年四月一日起為期一年(如雙方同意可每年續期)，每月使用權費約40,000元人民幣。

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34. CONNECTED TRANSACTIONS AND BALANCES (CONTINUED)

Notes: (continued)

The Licence Agreement also provides that if Lee & Man Manufacturing requires the use of additional areas in the premises during the term of the Licence Agreement, Lee & Man Company may grant further licences to Lee & Man Manufacturing to enter into possession of and occupy such areas not exceeding 3,000 square metres for a monthly licence fee which is calculated on the basis of the number of square metres of the areas of such premises times RMB8 per square metre.

- d. Pursuant to the management services agreement entered into between Lee & Man Management Company Limited ("Lee & Man Management"), a wholly owned subsidiary of the Company, and Lee & Man Paper Manufacturing, which is an associate (as defined in the Listing Rules) of Fortune Star, on 8 September 2003 for a term of one year from 1 September 2003, Lee & Man Management will provide administrative and secretarial services to Lee & Man Paper Manufacturing and the right to use Lee & Man Management's office as registered office at monthly services fee of approximately HK\$72,000. The management service agreement was renewed on 2 September 2004 for a term of one year from 1 September 2004 at monthly services fee of HK\$5,500.
- e. Pursuant to two licence agreements entered into between Lee & Man Management and Lee & Man Realty, which is beneficially owned by Mr. Lee Wan Keung, an associate of Fortune Star, and Mr. Lee Man Yan, a director of the Company, Lee & Man Realty has agreed to grant licences to Lee & Man Management and subsidiaries of the Company to enter into possession of and occupy certain office space of Lee & Man Realty for a term of three years commencing 1 January 2002 for a total monthly licence fee of approximately HK\$157,000. The total monthly licence fee has decreased to HK\$114,000 effective from 1 June 2003 as mutually agreed.

34. 關連交易及結餘(續)

附註：(續)

使用權協議同時訂明，如理文製造廠於使用權協議期內有需要使用樓房內更多地方，理文洋行可額外提供不超過3,000平方米之地方予其使用，使用權費按每平方米每月8元人民幣計算。

- d. 根據理文管理有限公司(「理文管理」，本公司之全資附屬公司)與理文造紙(根據上市規則涵義為Fortune Star之聯繫人)於二零零三年九月八日所簽訂一份由二零零三年九月一日起為期一年之管理服務協議，理文管理向理文造紙提供行政及秘書服務，以及授權理文造紙使用理文管理之辦事處為註冊辦事處，每月服務費約72,000港元。管理服務協議於二零零四年九月二日以每月服務費5,500港元由二零零四年九月一日起續期一年。
- e. 根據理文管理與理文置業(由Fortune Star之聯繫人李運強先生及本公司董事李文恩先生實益擁有)所簽訂之兩份使用權協議，理文置業同意由二零零二年一月一日起為期三年，以每月合共約157,000港元之使用權費向理文管理及本公司之附屬公司授予使用若干辦公室地方之使用權。其後雙方同意由二零零三年六月一日起將每月使用權費下調至合共114,000港元。

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35. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2005 are as follows:

Name of subsidiary	Place of incorporation	Nominal value of issued and fully paid share capital	Attributable equity interest	Principal activities #
附屬公司名稱	註冊成立地點	已發行及繳足股本面值	所佔權益	主要業務#
Lee & Man Development	British Virgin Islands	Shares – US\$90	100%	Investment holding
理文發展	英屬維爾京群島	股份 – 90美元		投資控股
Lee & Man Company	Hong Kong	Ordinary shares – HK\$1,000,000 Non-voting deferred shares – HK\$1,000,000	100%	Manufacture and sales of handbags and luggage
理文洋行	香港	普通股份 – 1,000,000港元 無投票權遞延股份 – 1,000,000港元		製造及銷售手袋及行李箱
Lee & Man Handbag Manufacturing Company Limited	Hong Kong	Ordinary shares – HK\$10,000 Non-voting deferred shares – HK\$500,000	100%	Manufacture and sales of handbags and luggage
理文手袋廠有限公司	香港	普通股份 – 10,000港元 無投票權遞延股份 – 500,000港元		製造及銷售手袋及行李箱
Lee & Man Management	Hong Kong	Ordinary shares – HK\$2	100%	Provision of management and administration services
理文管理	香港	普通股份 – 2港元		提供管理及行政服務

The principal activities are carried out in the PRC and Hong Kong.

35. 主要附屬公司

本公司於二零零五年三月三十一日之主要附屬公司之詳情如下：

主要業務均在中國及香港進行。

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35. PRINCIPAL SUBSIDIARIES (CONTINUED)

Only Lee & Man Development is directly held by the Company.

The deferred shares practically carry no rights to participate in profits or surplus assets or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

35. 主要附屬公司(續)

只有理文發展由本公司直接持有。

遞延股份並無權利參與分派溢利或盈餘資產或接收各有關公司任何股東大會之通告或出席大會或於會上投票或參與清盤之任何分派。

董事認為上表載列之本公司附屬公司，乃主要影響本集團之業績或資產之公司。董事認為若提供其他附屬公司之詳情將導致篇幅冗長。

附屬公司於年終或年內任何時間概無任何未贖回之債務證券。