

► 綜合財務報告附註

Notes To The Consolidated Financial Statements

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

1. 緒言

本公司是一間按照開曼群島公司法在開曼群島註冊成立之豁免公司，其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點於本年報公司資料內披露。

財務報告乃以港元呈列，港元亦為本公司之功能貨幣。

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料及潤滑油業務。

2. 應用新香港財務報告準則

於本年度，除了香港財務報告準則第3條「業務合併」、香港會計準則第36條「資產減值」及香港會計準則第38條「無形資產」已於去年生效之外，本集團首次應用多項由香港會計師公會（「香港會計師公會」）頒佈而於二零零五年一月一日或之後開始之會計期間生效之新香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱「新香港財務報告準則」）。採用新香港財務報告準則，導致綜合收益表、綜合資產負債表及綜合權益變動表之呈報方式有變，特別是少數股東權益之呈報方式有所變動，且有關呈報方式變動已追溯應用。採納新香港財務報告準則亦導致本集團以下範疇之會計政策有變，對現行或過往會計期間業績之編製及呈報方式構成影響。

GENERAL

The Company is an exempted company incorporated in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings and lubricants.

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRS”s), Hong Kong Accounting Standards (“HKAS”s) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are effective for accounting periods beginning on or after 1st January, 2005 except for HKFRS 3 “Business Combinations”, HKAS 36 “Impairment of Assets” and HKAS 38 “Intangible Assets” which were already effective in last year. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and the consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The change in presentation has been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current or prior accounting years are prepared and presented.

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2. 應用新香港財務報告準則 (續)

業務合併

本集團已在之前年度應用香港財務報告準則第3條「業務合併」於協議日期為二零零五年一月一日或以後之業務合併。採納香港財務報告準則第3條相關過渡性條文於二零零五年一月一日或以前所產生的商譽對本集團之主要影響概述如下：

商譽

於過往年度，於二零零一年四月一日之前進行之收購所產生之商譽於儲備入賬，而於二零零一年四月一日至二零零四年十二月三十一日期間進行之收購所產生之商譽以其估計可使用年期予以資本化及攤銷。本集團已採用香港財務報告準則第3條之過渡性條文。就過往於儲備內確認為數40,045,000港元之商譽而言，已於二零零五年四月一日撥入本集團之保留溢利。就以往於綜合資產負債表資本化之商譽，本集團於二零零五年四月一日撤銷有關之累計攤銷之賬面值444,000港元，而商譽成本則相應減少（見附註16）。本集團自二零零五年四月一日起已不再攤銷有關商譽，而商譽將最少按年及於進行收購之財政年度進行減值測試。於二零零五年一月一日後因收購產生之商譽於初步確認後按成本減累計減值虧損（如有）計算。由於此會計政策變動，本年度概無商譽攤銷，而二零零五年之比較數字亦無須重列。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Business combinations

The Group has applied HKFRS 3 “Business combinations” in previous year for business combination with the agreement date on or after 1st January, 2005. The principal effects of the application of the transitional provisions of HKFRS 3 for goodwill exist on or before 1st January, 2005 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions prior to 1st April, 2001 was held in reserves, and goodwill arising on acquisitions for the period between 1st April, 2001 and 31st December, 2004 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves amounting to HK\$40,045,000 has been transferred to the Group's retained profits on 1st April, 2005. With respect to goodwill previously capitalised on the consolidated balance sheet, the Group on 1st April, 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$444,000 with a corresponding decrease in the cost of goodwill (see note 16). The Group has discontinued amortising such goodwill from 1st April, 2005 onwards and such goodwill will be tested for impairment at least annually and in the financial year in which the acquisition takes place. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2005 have not been restated.

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2. 應用新香港財務報告準則 (續)

業務合併 (續)

商譽 (續)

於本年度，本集團亦採用香港會計準則第21條「匯率變動之影響」，該準則規定商譽按海外業務資產及負債處理，並按各結算日之收市匯率換算。以往，收購海外業務產生之商譽，於結算日按歷史匯率呈報。根據香港會計準則第21條之有關過渡性條文，於二零零五年四月一日前進行之收購所產生之商譽按非貨幣外幣項目處理，因此毋須作出前期調整。

本集團於被收購方之可識別資產、負債及或然負債之公允淨值之權益高於成本之部分 (過往稱為「負商譽」)

根據香港財務報告準則第3條之規定，本集團於被收購方之可識別資產、負債及或然負債之公允淨值之權益高於收購成本之任何部分，即時於收購會計期間內之損益內確認。於過往期間，在二零零一年四月一日前因進行收購產生之負商譽入賬儲備。根據香港財務報告準則第3條之相關過渡性條文，本集團對於二零零五年四月一日為數1,995,000港元之負商譽不再確認，並相應增加保留溢利。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Business combinations (continued)

Goodwill (continued)

In the current year, the Group has also applied HKAS 21 "The effects of changes in foreign exchange rates" which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at the historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1st April, 2005 is treated as a non-monetary foreign currency item. Therefore, no prior period adjustment has been made.

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions prior to 1st April, 2001 was held in reserves. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill of HK\$1,995,000 at 1st April, 2005 with a corresponding increase to retained profits.

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2. 應用新香港財務報告準則 (續)

以股份支付的款項

於本年度本集團已採用香港財務報告準則第2條「以股份支付的款項」，該準則規定本集團須就作為購買貨品或獲得服務的交換股份或購股權（「以股本結算交易」），或就作為交換其他價值相等於某股份或購股權數目之其他資產（「以現金結算交易」）確認為開支。香港財務報告準則第2條對本集團之影響主要是有關將於授出購股權當日釐定的董事及僱員於本公司購股權的公允值於歸屬期內列為開支。在採用香港財務報告準則第2條前，本集團在該等購股權行使前不會確認其財務影響。本集團已就於二零零五年四月一日或以後授出之購股權採用香港財務報告準則第2條。就二零零五年四月一日之前授出之購股權而言，根據有關之過渡性條文規定，本集團並無對於二零零二年十一月七日或之前授出之購股權及於二零零二年十一月七日以後授出並於二零零五年四月一日以前已歸屬之購股權採納香港財務報告準則第2條。本集團並無於二零零二年十一月七日後授出購股權而於二零零五年四月一日仍未歸屬，因此毋須作出追溯重列。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Share-based payments

In the current year, the Group has applied HKFRS 2 "Share-based payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors' and employees' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1st April, 2005. In relation to share options granted before 1st April, 2005, the Group has not applied HKFRS 2 to share options granted on or before 7th November, 2002 and share options that were granted after 7th November, 2002 and had vested before 1st April, 2005 in accordance with the relevant transitional provisions. The Group had no share options granted after 7th November, 2002 and had not yet vested on 1st April, 2005, and accordingly, no retrospective restatement is required.

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2. 應用新香港財務報告準則 (續)

金融工具

於本年度，本集團已採用香港會計準則第32條「金融工具：披露及呈列」及香港會計準則第39條「金融工具：確認及計量」。香港會計準則第32條規定追溯應用。採用香港會計準則第32條對金融工具在本集團綜合財務報表之呈列方式並無任何重大影響。於二零零五年一月一日或之後年度期間生效之香港會計準則第39條一般不允許以追溯方式確認、終止確認或計量金融資產及負債。採用香港會計準則第39條之主要影響概述如下：

金融資產及金融負債之分類及計量

本集團已採用香港會計準則第39條之相關過渡性條文，內容有關屬於香港會計準則第39條範疇內之金融資產及金融負債之分類及計量。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments

In the current year, the Group has applied HKAS 32 “Financial instruments: disclosure and presentation” and HKAS 39 “Financial instruments: recognition and measurement”. HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instruments in the consolidated financial statements of the Group. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

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2. 應用新香港財務報告準則 (續)

金融工具 (續)

金融資產及金融負債之分類及計量 (續)

根據香港會計準則第39條，金融資產分類為「於收益表按公允價值反映之金融資產」、「可供出售金融資產」、「貸款及應收款項」或「持有至到期金融資產」。「於收益表按公允價值反映之金融資產」及「可供出售金融資產」乃按公允價值列賬，公允價值之變動分別於損益表及股東權益中確認。由於並無活躍市場之市場報價，而無法可靠地計量公允價值的「可供出售金融資產」乃於首次確認後按成本減減值列賬。「貸款及應收款項」及「持至到期金融資產」於首次確認後使用實際利息法以攤銷成本估量。金融負債一般分類為「按公允價值經損益表入賬之金融負債」或「其他金融負債」。「按公允價值經損益表入賬之金融負債」乃按公允價值列賬，公允價值之變動分別於損益表確認。「其他金融負債」於首次確認後使用實際利息法按攤銷成本列賬。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

Financial instruments (continued)

Classification and measurement of financial assets and financial liabilities (continued)

Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables”, or “held-to-maturity financial assets”. “Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and fair value cannot be reliably measured are stated at cost less impairment after initial recognition. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortised cost using the effective interest method after initial recognition. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition.

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2. 應用新香港財務報告準則 (續)

金融工具 (續)

衍生工具

自二零零五年四月一日起，所有屬香港會計準則第39條範圍內之衍生工具均須於各結算日按公允值列賬，不管其是否被視為持作買賣或指定為有效對沖工具。根據香港會計準則第39條，衍生工具(包括獨立地就主體合約列賬之附帶衍生工具)被視為持作買賣金融資產或金融負債，除非其符合資格且被指定為有效對沖工具，則作別論。就視為持作買賣之衍生工具，該等衍生工具之公允值變動乃於產生期間於收益表確認。於二零零五年四月一日，採用香港會計準則第39條對業績及財政狀況並無重大影響。

業主自用之土地租賃權益

於以往年度，業主自用之租賃土地及樓宇歸入物業、機器及設備，並以成本模式計量。於本年度，本集團採納香港會計準則第17條「租賃」。根據香港會計準則第17條，土地及樓宇部分視乎租賃類別獨立入賬，除非有關租賃付款額未能可靠地分配為土地及樓宇部分，在此情況下則一概視為融資租賃。若租賃付款額能可靠地分配為土地及樓宇部分，於土地之租賃權益應重新分類為經營租賃下之預付土地租金，以成本入賬並於租賃期按直線法攤銷。此項會計政策變動已追溯應用。相反地，若未能於土地及樓宇之間作出可靠分配，則土地之租賃權益繼續入賬為物業、機器及設備。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments (continued)

Derivatives

From 1st April, 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise. At 1st April, 2005, the adoption of HKAS 39 has had no material effect on the results and financial position.

Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

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2. 應用新香港財務報告準則 (續)

總結會計政策改變之影響

上文所述會計政策改變對本年及去年會計期間構成之影響如下：

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

Summary of the effects of the changes in accounting policies

The effect of the changes in the accounting policies described above on the results for the current and prior year are as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
衍生金融工具公允價值變動所產生之收益	Gain arising from fair value changes of derivative financial instruments	2	—
商譽攤銷之減少	Decrease in amortisation of goodwill	890	—
有關向僱員授出購股權之費用	Expenses in relation to share options granted to employees	(1,258)	—
本年度純利減少	Decrease in profit for the year	<u>(366)</u>	<u>—</u>

按個別項目以其功能呈列本年度純利減少之分析：

Analysis of decrease in profit for the year by line item presented according to their function:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
其他收入之增加	Increase in other income	2	—
行政費用之增加	Increase in administrative expenses	(368)	—
本年度純利減少	Decrease in profit for the year	<u>(366)</u>	<u>—</u>

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2. 採納新訂及修訂香港財務報告準則 (續)

總結會計政策改變之影響 (續)

於二零零五年三月三十一日及於二零零五年四月一日因應用新訂香港財務報告準則的累計影響概括如下：

資產負債表項目	Balance sheet items	於二零零五年 三月三十一日 As at 31st March, 2005 千港元 HK\$'000 (原來編列) (originally stated)	調整 Adjustments 千港元 HK\$'000	於二零零五年 三月三十一日 As at 31st March, 2005 千港元 HK\$'000 (已重列) (Restated)	調整 Adjustments 千港元 HK\$'000	於二零零五年 四月一日 As at 1st April, 2005 千港元 HK\$'000 (已重列) (Restated)
物業、廠房及設備	Property, plant and equipment	482,863	(79,472)	403,391	-	403,391
預付土地租金	Prepaid lease payments	-	79,472	79,472	-	79,472
		<u>482,863</u>	<u>-</u>	<u>482,863</u>	<u>-</u>	<u>482,863</u>
保留溢利	Retained profits	499,671	-	499,671	(38,050)	461,621
商譽儲備	Goodwill reserve	(38,050)	-	(38,050)	38,050	-
		<u>461,621</u>	<u>-</u>	<u>461,621</u>	<u>-</u>	<u>461,621</u>

本公司並無採用以下已頒佈但未生效之新準則、修訂及詮釋。本公司董事預計，採用此等新準則、修訂及詮釋對本集團之綜合財務報表並無重大影響。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

Summary of the effects of the changes in accounting policies (continued)

The cumulative effects of the application of the new HKFRSs as at 31st March, 2005 and 1st April, 2005 are summarised below:

於二零零五年 三月三十一日 As at 31st March, 2005 千港元 HK\$'000 (原來編列) (originally stated)	調整 Adjustments 千港元 HK\$'000	於二零零五年 三月三十一日 As at 31st March, 2005 千港元 HK\$'000 (已重列) (Restated)	調整 Adjustments 千港元 HK\$'000	於二零零五年 四月一日 As at 1st April, 2005 千港元 HK\$'000 (已重列) (Restated)
482,863	(79,472)	403,391	-	403,391
-	79,472	79,472	-	79,472
<u>482,863</u>	<u>-</u>	<u>482,863</u>	<u>-</u>	<u>482,863</u>
499,671	-	499,671	(38,050)	461,621
(38,050)	-	(38,050)	38,050	-
<u>461,621</u>	<u>-</u>	<u>461,621</u>	<u>-</u>	<u>461,621</u>

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate the application of these new standards, amendments and interpretations will have no material impact on the Group's consolidated financial statements.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

2. 採納新訂及修訂香港財務報告準則 (續)

總結會計政策改變之影響 (續)

香港會計準則第1條 (經修訂)	資本披露 ¹
香港會計準則第19條 (經修訂)	精算收益及虧損、集團 計劃及披露 ²
香港會計準則第21條 (經修訂)	於外國業務之淨投資 ²
香港會計準則第39條 (經修訂)	預測集團內公司交易之 現金流量對沖會計法 ²
香港會計準則第39條 (經修訂)	公允值選擇 ²
香港會計準則第39號及 香港財務報表準則 第4條(經修訂)	財務擔保合約 ²
香港財務報表準則第6條	礦資源開採及評估 ²
香港財務報表準則第7條	金融工具：披露 ¹
香港財務報表準則 — 詮釋4	釐定一項安排是否含有 租賃 ²
香港財務報表準則 — 詮釋5	退役、修復及環境整修 基金所產生之權益 權利 ²
香港(國際詮釋委員會) — 詮釋6	參與特定市場—廢料電 動及電子設備所產生 之責任 ³
香港(國際詮釋委員會) — 詮釋7	在高度通脹經濟下根據 香港會計準則第29條 財務報表應用重列法 ⁴
香港(國際詮釋委員會) — 詮釋8	香港財務報告準則第2條 的範圍 ⁵
香港(國際詮釋委員會) — 詮釋9	重新評估內含衍生工具 ⁶

- 1 於二零零七年一月一日或之後開始之年度期間生效。
- 2 於二零零六年一月一日或之後開始之年度期間生效。
- 3 於二零零五年十二月一日或之後開始之年度期間生效。
- 4 於二零零六年三月一日或之後開始之年度期間生效。
- 5 於二零零六年五月一日或之後開始之年度期間生效。
- 6 於二零零六年六月一日或之後開始之年度期間生效。

APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

Summary of the effects of the changes in accounting policies (continued)

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹
HKFRS – INT 4	Determining whether an arrangement contains a lease ²
HKFRS – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴
HK(IFRIC) – INT 8	Scope of HKFRS 2 ⁵
HK(IFRIC) – INT 9	Reassessment of embedded derivatives ⁶

- 1 Effective for annual periods beginning on or after 1st January, 2007.
- 2 Effective for annual periods beginning on or after 1st January, 2006.
- 3 Effective for annual periods beginning on or after 1st December, 2005.
- 4 Effective for annual periods beginning on or after 1st March, 2006.
- 5 Effective for annual periods beginning on or after 1st May, 2006.
- 6 Effective for annual periods beginning on or after 1st June, 2006.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策

本綜合財務報表按歷史成本法編撰，若干金融工具則除外，該等金融工具按公允價值計量，有關說明在下文主要會計政策載述。

本綜合財務報表根據香港會計師公會所發出之香港財務報告準則編撰。此外，本綜合財務報表包括了香港聯合交易所有限公司證券上市規則及香港公司條例所規定之有關披露。

綜合基準

本綜合財務報表乃將本公司及其附屬公司之財務報表綜合計算。

年內購入或出售附屬公司業績乃就其購入之有效日期開始或計至出售之有效日期止（按適用者）計入綜合收益表內。

在必要時，本集團會把附屬公司財務報表作出調整，務使其會計政策和本集團其他成員所採用會計政策一致。

本集團內所有公司間之交易、結存、收入及開支均在編製綜合賬目時抵銷。

少數股東在綜合附屬公司資產淨值中所佔權益，和本集團所佔股權，是分開呈報出來。少數股東權益包括於合併當日權益數量和少數股東從合併日起股權變動。除非少數股東有義務及有能力增加投資以抵銷虧損，否則少數股東所佔虧損，若超越其在附屬公司所佔股本權益，其差額將從本集團權益中扣減。

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

Basis of consolidation

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策 (續)

綜合基準 (續)

收購附屬公司額外權益按歷史成本入賬，而收購成本超逾所收購淨資產賬面值之差額確認為商譽。

商譽

於二零零五年一月一日或之前收購產生之商譽

於二零零五年一月一日達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產、負債及或然負債之差額。

對於二零零一年四月一日後因收購而產生並予以資本化之商譽，本集團自二零零五年一月一日開始不再進行攤銷，但每年或與商譽有關之現金產成單元有減值跡象時進行減值測試。

於二零零五年一月一日或之後收購產生之商譽

於二零零五年一月一日或之後達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產、負債及或然負債之差額。有關商譽乃按成本扣減任何累計減值虧損列賬。

收購附屬公司產生而被資本化之商譽於資產負債表內分開呈列。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Basis of consolidation (continued)

Acquisition of additional interests in subsidiaries is recorded at historical cost and the excess of the cost of acquisition over the carrying amounts of net assets acquired is recognised as goodwill.

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1st April, 2001, the Group has discontinued amortisation from 1st April, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on acquisitions on or after 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary, at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on acquisition of a subsidiary is presented separately in the balance sheet.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策 (續)

商譽 (續)

於二零零五年一月一日或之後收購產生之商譽 (續)

為進行減值測試，收購附屬公司而產生之商譽被分配到各相關因收購產生的協同效應而得益之現金產成單位，或現金產成單位之組別。各被分配商譽之現金產成單位每年或有出現減值跡象時進行減值測試。就於某個財政年度因收購而產生之商譽，被分配商譽之現金產成單位於該財政年度完結前進行減值測試。當現金產成單位之可收回金額少於該單位之賬面值，則提取的減值損失首先沖抵分配至該單位之商譽，其後按帳面值的比例沖抵該單位內其他資產。商譽之任何減值虧損乃直接於損益表內確認。商譽之減值虧損於其後期間不予撥回。

當附屬公司於其後出售，其相關之被資本化商譽將包括在出售盈虧的測算內。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Goodwill (continued)

Goodwill arising on acquisitions on or after 1st January, 2005 (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值扣除期後累計折舊及累計減值損虧列賬。

除在建工程外，折舊乃按物業、廠房及設備項目之估計可用年限以直線法攤銷其原值或估值。

根據融資租約持有之資產採用自有資產之相同基準按估計可使用年期或有關租約年期(以較短者為準)計算折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時不再確認。因不再確認資產而產生之任何損益(按該項目之出售所得款項淨額及賬面值間之差額計算)於不再確認該項目之年度計入損益表。

在建工程將不作折舊，直至其可作預計用途為止，屆時則按成本減累計減值虧損入賬。

無形資產

無形資產起初按成本減所知減值準備入賬，並以直線法按其估計可使用年期五年攤銷。

因取消確認無形資產而產生之收益或虧損乃按出售所得款項淨額與該資產之賬面值之差額計算，並於該資產取消確認時在綜合收益表確認。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Property, plant and equipment

Property, plant and equipment other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual values, using the straight line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Construction in progress will not be depreciated until the assets are put into intended use and accordingly is stated at cost less accumulated impairment loss.

Intangible asset

Intangible assets are measured initially at cost less identified impairment loss. The cost is amortised on a straight line basis over their estimated economic useful life of five years.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策 (續)

減值 (商譽以外)

於各結算日，本集團檢討其有形及無形資產之賬面值，以確定有否跡象顯示該等資產出現減值虧損。倘若某項資產可收回之金額估計低於其賬面值，該資產之賬面值將減至可收回之金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回金額，惟該增加之賬面值不得超過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為收入。

存貨

存貨按成本或可變現淨值 (以較低價值為準) 入賬。成本按加權平均法計算。

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公允值初步確認。收購或發行財務資產及資產負債直接應佔之交易成本 (透過損益以公允值列賬之財務資產及財務負債除外) 乃於初步確認時加入財務資產或財務負債之公允值或自財務資產或財務負債之公允值內扣除 (如合適)。收購透過損益以公允值列賬之財務資產或財務負債直接應佔之交易成本即時於損益賬內確認。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible 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. An impairment loss is recognised as expense immediately.

When 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.

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

3. 主要會計政策 (續)

財務資產

本集團之財務資產歸入下列兩個類別之其中一個，包括貸款及應收款項及可供出售之財務資產。所有定期購買或出售財務資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或出售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生金融工具。於初步確認後各結算日，貸款及應收款項（包括應收貿易賬款、其他應收賬款、短期銀行存款及銀行結餘）均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可實質證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial assets

The Group's financial assets are mainly classified into one of the two categories, including loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade debtors, other debtors, short-term bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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3. 主要會計政策 (續)

財務資產 (續)

可供出售之財務資產

可供出售之財務資產乃非衍生性亦不能分類為其他組別。

對於沒有活躍市場價值訊息及沒有可靠公允價值數據的可供出售之財務資產，該資產將會按成本減去被確認於損益表，減值虧損是按資產的賬面值與用市場利率折讓未來預收的現金流量之差別。該減值虧損不會於期後回撥。

財務負債及權益

集團實質發行之財務負債及權益投資工具乃根據合同安排之性質與財務負債及權益投資工具之定義分類。

權益投資工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團之財務負債乃分類為於損益賬處理並按公允值列賬之外的財務負債。就財務負債及權益工具所採納之會計政策乃載於下文。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities other than financial liabilities at fair value through profit or loss. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

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3. 主要會計政策 (續)

財務負債及權益 (續)

銀行借貸

計息銀行貸款及透支初始按公允值計算，其後以實際利率法按攤銷成本計算。扣除交易成本後的借貸所得款項與清還或贖回之貸款之差額會根據本集團有關借貸成本之會計政策於借貸年期內確認。

其他財務負債

其他財務負債包括應付款項乃隨後按實際利率法以攤銷成本計量。

權益工具

公司發行的權益工具以收到的價款扣除直接發行成本後的金額計算。

衍生金融工具

衍生金融工具被視為持有作買賣之財務資產或財務負債。衍生金融工具公允值之變動，將於其產生時在損益中確認。

租賃

倘若租賃條款在實質上轉移了與所有權有關之幾乎全部風險和報酬，租賃會歸類為融資租賃。所有其他租賃均歸類為經營租約。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial liabilities and equity (continued)

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Other financial liabilities

Other financial liabilities including creditors are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

Derivative financial instruments are deemed as held for trading financial assets or financial liabilities. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

來自經營租約之租金收入會按有關租賃期以直線法於損益表確認。由商議至安排經營租賃所涉及之初始直接成本均包括於有關租賃資產之賬面值內，並按直線法在有關租賃期內確認。

本集團作為承租人

按融資租約持有之資產按租約開始時之公允值或按最低租約付款(倘為較低者)之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用於損益表中扣除，惟直接源自合資格資產例外，在此情況下，則根據本集團之借貸成本一般政策以予資本化。

屬於經營租約之應付租金乃按相關租約年期以直線法於損益表扣除。因訂立經營租約所收及應收利益以直線法按租約年期沖減租金費用。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Leases (continued)

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

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3. 主要會計政策 (續)

收入之確認

收益乃按已收或應收代價之公允值計算，並相當於一般業務過程中提供貨品及服務之應收款項扣除折扣及銷售相關稅項。

貨品之銷售額於已送交貨品及移交所有權之時予以確認。

倉儲收入於提供倉儲服務後予以確認。

利息收入按未提取本金及適用實際利率以時間基準計算，有關利率乃於金融資產預期年期將估計日後現金收款貼現至該資產賬面淨值之利率。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣為定值之貨幣項目均按結算日之適用匯率重新折算。按公允值以外幣定值之非貨幣項目乃按於公允值釐定當日之適用匯率重新折算。按外幣過往成本計量之非貨幣項目毋須重新折算。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

Storage income is recognised when storage services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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3. 主要會計政策 (續)

外幣 (續)

結算及折算貨幣項目所產生之匯兌差額於產生期間在損益確認。折算非貨幣項目所產生之匯兌差額按公允值計入有關期間之損益，惟重新換算之非貨幣項目所產生的匯兌差額直接在股本確認有關盈虧除外，屆時匯兌差額亦直接在權益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣(即港元)，而其他收入及支出乃按該年度之平均匯率進行折算，除非匯率於該期間內出動大幅波動則作別論，於此情況下，則採用於折算當日之適用匯率。所產生之匯兌差額(如有)乃確認作股本之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售時於損益賬內反映。

於二零零五年四月一日或以後，於收購海外業務時產生之有關所收購可識別資產之商譽及公允值調整乃歸納為該海外經營業務之資產及負債，並按於結算日之適用匯率進行折算。產生之匯兌差額乃於匯兌儲備內確認。

附註2提及，於二零零五年四月一日之前，於收購海外業務產生之有關所收購可識別資產之商譽及公允值調整乃作收購者的非貨幣之外幣項目，並以收購前一天的歷史成本入賬。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on an acquisition of a foreign operation on or after 1st April, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

As mentioned in note 2, goodwill and fair value adjustments arising on acquisitions of foreign operations prior to 1st April, 2005 are treated as non-monetary foreign currency items of the acquirer and reported using the historical exchange rate prevailing at the date of the acquisition.

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3. 主要會計政策 (續)

借貸成本

因購入、建造或生產合資格資產而直接產生之借貸成本可作資本化。該等借貸成本在該等資產準備轉作其特定用途或以供銷售時停止資本化。特定借貸項目之短期投資所得之投資收入在合資格資產攤銷開支前須從已資本化之借貸成本扣除。

所有其他借貸成本乃於其產生期間在損益中確認。

稅項

稅項支出包括年內應課稅額及遞延稅項總和。

應課稅額乃按年內之應課稅溢利計算。應課稅溢利有別於綜合收益表內呈報之溢利，由於計算應課稅溢利並不包括一些於其他年度才需課稅或才獲寬減之收入或支出，一些於毋須課稅或不獲寬減之項目亦不包括在內。本集團本期間稅項乃按現行稅率或結算日時實際確立之稅率計算。

遞延稅項乃指因財務報表中資產及負債帳面金額與計算應課稅溢利的對應稅項基準出現差異而預期之應付或應收稅項，其計算方法乃使用資產負債表負債法。遞延稅項負債一般確認所有應課稅項目之暫時差異，而遞延稅項資產只確認可於日後用作扣減應課稅溢利而獲寬減稅項之暫時差異。如因商譽或於交易中首次確認(商業合併除外)為其他資產或負債，但並未對應課稅溢利或會計溢利造成影響而出現暫時差異，該資產或負債將不會入帳。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated 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. Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on differences between the carrying amount of assets and liabilities in the consolidated 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 taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit 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 from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面金額應於每一年度結算日再作檢討，其減少之幅度為應課稅溢利並未足夠使用該部份資產。

遞延稅項乃按預期清還負債或變現資產年度之稅率計算。遞延稅項將計入或扣除於綜合收益表內，但若該項目是直接計入或扣除權益，則該遞延稅項亦應直接計入權益內。

退休福利計劃供款

既定供款退休福利計劃中的供款在其於應付時記入費用。如果本集團在國家退休福利計劃中的義務等同於既定供款退休福利計劃中產生的義務，對國家退休福利計劃中的付款會與既定供款計劃中的供款作同樣的處理。

股份付款交易

被認作以股份為基準的付款支出

授予僱員之購股權

所獲服務之公允值乃參考授出購股權日期之公允值釐定，倘授出之購股權立即歸屬，則於授出日期全數確認為開支，並相應增加購股權儲備。

當行使購股權時，以往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於屆滿日仍未獲行使，以往於購股權儲備確認之金額將轉撥至保留溢利。

SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Taxation (continued)

The carrying amount of deferred taxation 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 taxation 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 taxation is charged or credited to consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

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4. 估計不明朗因素之主要來源

商譽之估計減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位之使用價值。在計算使用價值時，本集團須估計該現金產生單位產生之未來現金流量，並以適當之貼現率計算其現值。於二零零六年三月三十一日，商譽之賬面值為19,231,000港元。可收回金額計算方法之詳情於附註16披露。

所得稅

於二零零六年三月三十一日，本集團之綜合資產負債表已確認234,001,000港元之未動用稅項虧損中有關之遞延稅項資產691,000港元。變現遞延稅項資產主要視乎是否具足夠未來溢利或將來可供利用之應課稅暫時性差額而定。遞延稅項資產及相關財務模式及預算之賬面值於各結算日檢討，而倘產生之實際未來溢利少於預期溢利，遞延稅項資產可能出現撥回，並於該等撥回發生期間在綜合收益表確認。

KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31st March, 2006, the carrying amount of goodwill is HK\$19,231,000. Details of the recoverable amount calculation are disclosed in note 16.

Income taxes

As at 31st March, 2006, a deferred taxation asset of HK\$691,000 in relation to unused tax losses of HK\$234,001,000 has been recognised in the Group's consolidated balance sheet. The realisability of the deferred taxation asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at each balance sheet date, and in cases where the actual future profits generated are less than expected, a reversal of deferred taxation asset may arise, which would be recognised in the consolidated income statement for the period in which such a reversal takes place.

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5 財務風險管理目標與政策

本集團之主要金融工具包括貿易應收款項、其他應收賬款、可供出售投資、短期銀行存款、銀行結餘及現金、貿易及銀行借款。該等金融工具詳情於相關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層監控該等風險，以確保及時及有效地採取適當之措施。

市場風險

(i) 外匯風險

本集團主要於中華人民共和國（「中國」）內地經營業務，大部份交易均人民幣（「人民幣」）計值及結算。人民幣不可自由兌換為其他外幣，而人民幣兌換為外幣亦受中國政府公佈之外匯管制規則及規例所限。本集團已運用遠期合約以降低外匯風險。

(ii) 利率風險

本集團的利率風險來自銀行浮息貸款（附註27）。本集團並無發行任何財務工具或任何利率對沖合約。然而，管理層監控利率風險，並將於需要時考慮對沖重大利率風險。

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade debtors, other debtors, available-for-sale investment, short-term bank deposits, bank balances and cash, creditors and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group mainly operates in the People's Republic of China (the "PRC") with most of the transactions denominated and settled in Renminbi ("RMB"). RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. The Group has used forward contracts to reduce its foreign currency exposure.

(ii) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank borrowings (see note 27). The Group currently does not have a policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arises.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

5 財務風險管理目標與政策

(續)

信貸風險

倘若交易方於二零零六年三月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已反映於綜合資產負債表上相關資產之賬面值。

為盡量減低有關貿易應收賬款之信貸風險，本集團管理層監控各項程序，以確保作出跟進行動收回過期債項。此外，本集團之管理層審閱於各結算日之每項個別貿易應收賬款，以確保可為不可收回之金額撥出充足之減值虧損。於此情況下，本公司之董事認為本集團之信貸風險已顯著地減少。

由於交易方為獲國際信貸評級機構及信譽良好之國有銀行評級為良好信貸評級之銀行，故流動資金之信貸風險有限。

由於有關風險乃分散於多名交易方及客戶之中，因此本集團之信貸風險並不相當集中。

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fails to perform their obligations at 31st March, 2006 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet.

In order to minimise the credit risk in relation to trade debtors, the management of the Group monitors procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

6. 業務及地區分類

(a) 業務分類

從管理角度，本集團目前將業務分為三個業務類別，即溶劑、塗料及潤滑油。此分類與上年之呈報方式不同，特種上光油、漆油、油墨及樹脂在之前年度以獨立分類呈報，現列入「塗料」類別，天拿水及單體溶劑現列為「溶劑」，而潤滑油則如上年一樣單獨呈列。此重新分類對本集團管理其業務之方式並無影響，相反地能更清楚顯示本集團之整體業務表現，亦更能吻合業務架構，原因為歸入「塗料」一類之特種上光油、漆油、油墨及樹脂會受到相同之業務因素影響。天拿水為溶劑之混合物，故列入「溶劑」分類。重新分類應可更簡明及清晰地反映本集團之業務。比較數字已予重列以配合本年之呈報方式。

由於倉儲業務本年及上年之營業額及業績並不顯著，該業務被歸納為其他分類。

主要業務如下：

- 溶劑 — 製造及買賣溶劑及相關產品
- 塗料 — 製造及買賣塗料及相關產品
- 潤滑油 — 製造及買賣潤滑油產品

BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

For management purposes, the Group's operations are currently classified under three business segments, namely solvents, coatings and lubricants. This classification differs from the reporting format of prior year in that varnishes, paints, inks and resins, which were reported as separate segment were now grouped under 'coatings', thinners and raw solvents were now grouped under 'solvents', while lubricants was reported separately in prior and current year. This re-classification does not affect the way the Group organises its business operations, but it does give a clearer picture of the Group's overall business performance. It is also more in line with the business logic, as varnishes, paints, inks and resins all fall into the category of 'coatings', and are all affected by the same business factors. Thinners is a blend of solvents and it is therefore included in the segment of 'solvents'. This re-classification should give a simpler and clearer picture of the operations of the Group. Comparative figures have been restated to conform with the current year's presentation.

As the turnover and results of the storage activities were insignificant in the current and prior year, such activities are grouped under 'others' for presentation purposes.

Principal activities are as follows:

- Solvents — manufacture of and trading in solvents and related products
- Coatings — manufacture of and trading in coatings and related products
- Lubricants — manufacture of and trading in lubricants products

6. 業務及地區分類 (續)
BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

(a) 業務分類 (續)

- (i) 本集團之營業額及業績按業務分類如下：

(a) Business segments (continued)

- (i) An analysis of the Group's turnover and results by business segments is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零六年 三月三十一日止年度		Year ended 31st March, 2006					
分類營業額	Segment revenue						
對外銷售	External sales	1,902,480	1,149,882	219,058	58,250	-	3,329,670
分類間銷售	Inter-segment sales	71,101	46,152	256	5,773	(123,282)	-
總額	Total	<u>1,973,581</u>	<u>1,196,034</u>	<u>219,314</u>	<u>64,023</u>	<u>(123,282)</u>	<u>3,329,670</u>
業績	Results						
分類業績	Segment result	<u>157,262</u>	<u>80,568</u>	<u>(296)</u>	<u>5,736</u>	<u>(260)</u>	243,010
利息收入	Interest income						1,713
未分配集團費用	Unallocated corporate expenses						(4,770)
經營溢利	Profit from operations						239,953
利息費用	Interest expense						(21,538)
除稅前溢利	Profit before taxation						218,415
稅項	Taxation						(21,681)
本年度純利	Profit for the year						<u>196,734</u>

6. 業務及地區分類 (續)

(a) 業務分類 (續)

- (i) 本集團之營業額及業績按業務分類如下 (續) :

	溶劑 Solvents 千港元 HK\$'000 (已重列) (Restated)	塗料 Coatings 千港元 HK\$'000 (已重列) (Restated)	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000	
截至二零零五年 三月三十一日止年度							
分類營業額	Segment revenue						
對外銷售	1,518,985	1,025,333	114,817	18,464	-	2,677,599	
分類間銷售	65,031	42,539	60	4,219	(111,849)	-	
總額	<u>1,584,016</u>	<u>1,067,872</u>	<u>114,877</u>	<u>22,683</u>	<u>(111,849)</u>	<u>2,677,599</u>	
業績	Results						
分類業績	<u>155,483</u>	<u>53,674</u>	<u>(22,742)</u>	<u>591</u>	<u>16</u>	187,022	
利息收入	Interest income						750
未分配集團費用	Unallocated corporate expenses						(3,912)
經營溢利	Profit from operations						183,860
利息費用	Interest expense						(4,626)
除稅前溢利	Profit before taxation						179,234
稅項	Taxation						(13,401)
本年度純利	Profit for the year						<u>165,833</u>

業務間之銷售與給予外界人士的條款相近。

BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

(a) Business segments (continued)

- (i) An analysis of the Group's turnover and results by business segments is as follows (continued):

Inter-segment sales are charged at the similar terms as outsiders.

6. 業務及地區分類 (續)

BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

(a) 業務分類 (續)

(a) Business segments (continued)

(ii) 其他資料

(ii) Other information

		溶劑	塗料	潤滑油	其他	集團	綜合
		Solvents	Coatings	Lubricants	Others	Corporate level	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至二零零六年	Year ended 31st March, 2006						
三月三十一日止年度							
資本性添置	Capital additions	18,234	65,879	3,675	7	1,223	89,018
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	11,017	22,814	2,788	104	2,242	38,965
預付租賃攤銷	Release of prepaid lease payments	411	1,523	-	-	336	2,270
物業、廠房及設備之 減值準備	Impairment loss in respect of property, plant and equipment	35	1,536	-	-	-	1,571
無形資產攤銷	Amortisation of intangible asset	-	1,000	-	-	-	1,000
出售物業、廠房及 設備之虧(盈)	Loss (gain) on disposal of property, plant and equipment	390	1,205	(252)	-	199	1,542

6. 業務及地區分類 (續)

BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

(a) 業務分類 (續)

(a) Business segments (continued)

(ii) 其他資料 (續)

(ii) Other information (continued)

		溶劑 Solvents 千港元 HK\$'000 (已重列) (Restated)	塗料 Coatings 千港元 HK\$'000 (已重列) (Restated)	潤滑油 Lubricants 千港元 HK\$'000 (已重列) (Restated)	其他 Others 千港元 HK\$'000	集團 Corporate level 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零五年 三月三十一日止年度	Year ended 31st March, 2005						
資本性添置	Capital additions	39,120	76,807	8,606	19	953	125,505
商譽添置	Goodwill additions	17,787	-	1,888	-	-	19,675
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	9,926	21,154	2,654	104	2,221	36,059
預付租賃攤銷	Release of prepaid lease payments	554	1,915	-	-	364	2,833
回沖物業、廠房及設備 之減值準備	Reversal of impairment loss in respect of property, plant and equipment	-	(339)	-	-	-	(339)
物業、廠房及設備之 減值準備	Impairment loss in respect of property, plant and equipment	-	-	1,366	-	-	1,366
無形資產攤銷	Amortisation of intangible asset	-	1,000	-	-	-	1,000
出售物業、廠房及 設備之(盈)虧	(Gain) loss on disposal of property, plant and equipment	(17)	71	399	507	5	965
商譽攤銷	Amortisation of goodwill	444	-	-	-	-	444

6. 業務及地區分類 (續)

(a) 業務分類 (續)

(iii) 本集團按業務分類之資產
負債分析如下：

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零六年三月三十一日	At 31st March, 2006					
資產	Assets					
分類資產	Segment assets	601,888	782,468	163,967	29,437	1,577,760
遞延稅項資產	Deferred taxation assets					691
未分配集團資產	Unallocated corporate assets					297,873
綜合總資產	Consolidated total assets					<u>1,876,324</u>
負債	Liabilities					
分類負債	Segment liabilities	161,358	123,325	41,492	22,160	348,335
應付稅款	Taxation payable					18,388
遞延稅項負債	Deferred taxation liabilities					1,794
未分配集團負債	Unallocated corporate liabilities					524,586
綜合總負債	Consolidated total liabilities					<u>893,103</u>

BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

(a) Business segments (continued)

(iii) An analysis of the Group's balance sheet by business
segments is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零六年三月三十一日	At 31st March, 2006					
資產	Assets					
分類資產	Segment assets	601,888	782,468	163,967	29,437	1,577,760
遞延稅項資產	Deferred taxation assets					691
未分配集團資產	Unallocated corporate assets					297,873
綜合總資產	Consolidated total assets					<u>1,876,324</u>
負債	Liabilities					
分類負債	Segment liabilities	161,358	123,325	41,492	22,160	348,335
應付稅款	Taxation payable					18,388
遞延稅項負債	Deferred taxation liabilities					1,794
未分配集團負債	Unallocated corporate liabilities					524,586
綜合總負債	Consolidated total liabilities					<u>893,103</u>

6. 業務及地區分類 (續)

(a) 業務分類 (續)

- (iii) 本集團按業務分類之資產負債分析如下 (續) :

於二零零五年三月三十一日	At 31st March, 2005	溶劑	塗料	潤滑油	其他	綜合
		Solvents	Coatings	Lubricants	Others	Consolidated
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(已重列)	(已重列)			
		(Restated)	(Restated)			
資產	Assets					
分類資產	Segment assets	570,926	716,116	115,060	2,476	1,404,578
遞延稅項資產	Deferred taxation assets					691
可回收稅款	Taxation recoverable					863
未分配集團資產	Unallocated corporate assets					213,959
綜合總資產	Consolidated total assets					<u>1,620,091</u>
負債	Liabilities					
分類負債	Segment liabilities	224,805	101,636	44,639	1,500	372,580
應付稅款	Taxation payable					12,882
遞延稅項負債	Deferred taxation liabilities					1,832
未分配集團負債	Unallocated corporate liabilities					417,668
綜合總負債	Consolidated total liabilities					<u>804,962</u>

(b) 地區分類

由於本集團之營業額及經營成果大部份均來自中國大陸，而本集團大部份資產亦位於中國大陸，故省略綜合營業額、經營成果及資產地區分析。

BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

(a) Business segments (continued)

- (iii) An analysis of the Group's balance sheet by business segments is as follows (continued):

溶劑	塗料	潤滑油	其他	綜合
Solvents	Coatings	Lubricants	Others	Consolidated
千港元	千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(已重列)	(已重列)			
(Restated)	(Restated)			

(b) Geographical segments

As the Group's turnover and trading results are principally derived from Mainland China and the assets are substantially located in Mainland China, an analysis of the consolidated turnover, trading results by geographical market and assets by geographical location is not presented.

7. 營業額

集團在本年度營業額，分析如下：

TURNOVER

An analysis of the Group's turnover is as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銷售貨品	Sales of goods	3,317,765	2,665,736
倉儲收入	Storage income	11,905	11,863
		3,329,670	2,677,599

8. 經營溢利

PROFIT FROM OPERATIONS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
經營溢利已扣除 下列各項：	Profit from operations has been arrived at after charging:		
無形資產攤銷 (計入行政費用內)	Amortisation of intangible asset (included in administrative expenses)	1,000	1,000
商譽攤銷 (計入行政費用內)	Amortisation of goodwill (included in administrative expenses)	-	444
核數師酬金	Auditors' remuneration	2,549	2,000
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	38,965	36,059
預付租賃攤銷	Release of prepaid lease payments	2,270	2,833
物業、廠房及設備之減值 準備(計入行政費用內)	Impairment loss of property, plant and equipment (included in administrative expenses)	1,571	1,366
出售物業、廠房及設備之 虧損	Loss on disposal of property, plant and equipment	1,542	965
貯存缸及附屬設施之 營業租約支付款項	Operating lease payments in respect of storage tanks and ancillary facilities	6,870	6,814
物業之營業租約 支付款項	Operating lease payments in respect of rented premises	9,365	4,472
員工成本包括董事酬金 (附註9)	Staff costs, including directors' remuneration (Note 9)	253,233	205,034
並經計入下列項目：	and after crediting:		
貯存缸及附屬設施 之租金收入	Rental income in respect of storage tanks and ancillary facilities	9,411	9,594
回沖物業、廠房及設備之 減值準備(計入行政費 用內)	Reversal of impairment loss of property, plant and equipment (included in administrative expenses)	-	339
利息收入	Interest Income	1,713	750
		1,713	750

8. 經營溢利 (續)

附註：

計入員工成本之退休金供款如下：

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本集團對既定供款計劃之供款	4,022	3,537
減：沒收供款	(256)	(91)
	3,766	3,446

PROFIT FROM OPERATIONS (CONTINUED)

Note:

Pension contributions included in staff costs are as follows:

9. 董事酬金及僱員酬金

已付或應付予11名(二零零五年：11名)董事之酬金如下：

The emoluments paid or payable to each of the 11 (2005:11) directors were as follows:

	葉志成 Ip Chi Shing, Tony 千港元 HK\$'000	葉鳳娟 Ip Fung Kuen 千港元 HK\$'000	葉子軒 Yip Tsz Hin, Stephen 千港元 HK\$'000	吳紹平 Ng Siu Ping, George 千港元 HK\$'000	丁漢欽 Ting Hon Yam 千港元 HK\$'000	黃金焰 Wong Kam Yim, Kenny 千港元 HK\$'000	楊民俊 Young Man Kim, Robert 千港元 HK\$'000	唐匯棟 Tong Wui Tung, Ronald 千港元 HK\$'000	黃廣志 Wong Kong Chi 千港元 HK\$'000	歐陽贊邦 Au-Yeung Tsan Pong, Davie 千港元 HK\$'000	李澤民 Li Chak Man, Chuck 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零零六年 2006												
董事袍金	Fees	400	400	400	400	400	400	320	500	200	200	4,020
其他酬金	Other emoluments											
薪金及 其他福利	Salaries and other benefits	3,153	1,250	2,479	1,525	1,664	1,731	-	-	-	-	13,306
以股份為 基準的付款	Share based payments	-	29	29	29	29	29	-	-	-	-	174
退休福利計劃	Retirement benefit scheme contributions	166	106	132	113	114	66	-	-	-	-	811
袍金總額	Total emoluments	3,719	1,785	3,040	2,067	2,207	2,226	320	500	200	200	18,311
二零零五年 2005												
董事袍金	Fees	-	-	-	-	-	-	320	500	151	105	1,076
其他酬金	Other emoluments											
薪金及 其他福利	Salaries and other benefits	3,257	1,147	2,844	1,336	1,672	1,838	1,872	-	-	-	13,966
退休福利計劃	Retirement benefit scheme contributions	166	107	133	110	114	66	-	-	-	-	809
袍金總額	Total emoluments	3,423	1,254	2,977	1,446	1,786	1,951	320	500	151	105	15,851

9. 董事酬金及僱員酬金 (續)

附註：

- (a) 董事之薪金及上述其他福利包括經營租賃租金1,536,000港元(二零零五年：1,536,000港元)。
- (b) 於二零零五年十月二十四日，本公司授出合共1,200,000份(二零零五年：1,500,000份)購股權予本公司之若干董事。由於有關於二零零五年授出之購股權已於二零零五年四月一日前授予，因此根據香港財務報告準則第2條之相關過渡條文，對本集團並不造成財務影響。

5位薪酬最高僱員中4位為董事(二零零五年：5位)，其酬金詳情已於前述載於上。其餘1位(二零零五年：無)薪酬詳列如下：

DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Notes:

- (a) The directors' salaries and other benefits above included operating leases rentals of HK\$1,536,000 (2005: HK\$1,536,000).
- (b) On 24th October, 2005, the Company granted an aggregate of 1,200,000 (2005: 1,500,000) share options to certain directors of the Company. In relation to share options granted in 2005, as they had vested before 1st April, 2005 and therefore has had no financial impact to the Group in accordance with the relevant transitional provisions of HKFRS 2.

Of the five individuals with the highest emoluments in the Group, four (2005: five) were directors of the Company whose emoluments are disclosed above. The emoluments of the remaining (2005: nil) individual were as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
基本薪金及其他津貼	Salaries and other benefits	2,079	–
退休福利計劃供款	Retirement benefit scheme contribution	53	–
		2,132	–

10. 利息費用

INTEREST EXPENSE

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
利息	Interest on:		
須於五年內悉數償還之 銀行貸款	– bank borrowings wholly repayable within five years	21,521	4,624
融資租賃	– a finance lease	17	2
		21,538	4,626

11. 稅項

TAXATION

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
現行稅項－香港	Current tax – Hong Kong		
本年度	Current year	3,532	2,915
往年度超額撥備	Overprovision in previous years	(251)	–
		<u>3,281</u>	<u>2,915</u>
現行稅項－中國大陸	Current tax – Mainland China		
本年度	Current year	17,035	12,324
往年度撥備不足 (超額撥備)	Under(over)provision in previous years	1,403	(1,801)
		<u>18,438</u>	<u>10,523</u>
		21,719	13,438
遞延稅項	Deferred taxation		
香港	Hong Kong	(38)	(37)
		<u>21,681</u>	<u>13,401</u>

香港利得稅乃按照本年度估計應課稅溢利按稅率17.5% (二零零五年：17.5%) 提撥準備。中國大陸企業所得稅則按有關司法地區之稅率計算。

根據中國有關法例及規則，本公司若干中國附屬公司於首個賺取經營溢利之年度起計首兩個年度，獲豁免繳納中國企業所得稅，而於其後三個年度亦可獲50%之稅項寬免。中國企業所得稅已計及該等稅務優惠後作出撥備。

Hong Kong Profits Tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Enterprise income tax in Mainland China has been provided at the rates prevailing in the respective jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are entitled to exemption from PRC enterprise income tax for the first two years commencing from their first profit-making year of operation and thereafter, these PRC subsidiaries will be entitled to a 50% relief from PRC enterprise income tax for the following three years. PRC enterprise income tax has been provided for after taking these tax incentives into account.

11. 稅項 (續)

會計溢利與是年度之稅項支出對賬如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
除稅前溢利	Profit before taxation	218,415	179,234
以本地所得稅率27%計算	Tax charge at the domestic income tax rate of 27%	58,972	48,393
往年度撥備不足／ (超額撥備)	Under(over) provision in prior years	1,152	(1,801)
不可扣減的開支對 稅務之影響	Tax effect of expenses not deductible for tax purposes	4,063	4,371
無需繳稅的收入對稅務 之影響	Tax effect of income not taxable for tax purposes	(7,189)	(3,250)
未予以確認稅項虧損對 稅務之影響	Tax effect of tax losses not recognised	11,508	7,171
使用之前未確認稅項 虧損對稅務之影響	Tax effect of utilisation of tax losses previously not recognised	(2,987)	(2,230)
位於其他司法地區之附屬 公司不同稅率之影響	Effect of different tax rates of subsidiaries in other jurisdictions	(13,199)	(16,093)
部份附屬公司之減免稅率 之影響	Effect of income tax on concessionary rates for certain subsidiaries	(32,384)	(22,397)
其他	Others	1,745	(763)
本年度稅項	Taxation for the year	21,681	13,401

使用本集團大部份業務所在司法地區之當地稅率。

TAXATION (CONTINUED)

A statement of reconciliation of taxation is as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
除稅前溢利	Profit before taxation	218,415	179,234
以本地所得稅率27%計算	Tax charge at the domestic income tax rate of 27%	58,972	48,393
往年度撥備不足／ (超額撥備)	Under(over) provision in prior years	1,152	(1,801)
不可扣減的開支對 稅務之影響	Tax effect of expenses not deductible for tax purposes	4,063	4,371
無需繳稅的收入對稅務 之影響	Tax effect of income not taxable for tax purposes	(7,189)	(3,250)
未予以確認稅項虧損對 稅務之影響	Tax effect of tax losses not recognised	11,508	7,171
使用之前未確認稅項 虧損對稅務之影響	Tax effect of utilisation of tax losses previously not recognised	(2,987)	(2,230)
位於其他司法地區之附屬 公司不同稅率之影響	Effect of different tax rates of subsidiaries in other jurisdictions	(13,199)	(16,093)
部份附屬公司之減免稅率 之影響	Effect of income tax on concessionary rates for certain subsidiaries	(32,384)	(22,397)
其他	Others	1,745	(763)
本年度稅項	Taxation for the year	21,681	13,401

The domestic tax rate is a tax rate in the jurisdiction where the operation of the Group is substantially based.

12. 股息

DIVIDENDS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
結算日後建議期末股息： 每股9.0港仙 (二零零五年：7.5港仙)	Final dividend proposed after the balance sheet date: HK9.0 cents (2005: HK7.5 cents) per share	42,890	35,470
本年已付中期股息： 每股5.0港仙 (二零零五年：4.5港仙)	Interim dividend paid during the year: HK5.0 cents (2005: HK4.5 cents) per share	23,765	21,154
由於在截止過戶日期前 行使購股權，而須於 本年額外繳付之去年 期末股息	Additional prior year's final dividend paid during the year as a result of exercise of share options prior to the book close date	135	25
		66,790	56,649

董事會建議派發末期股息每股9.0港仙(二零零五年：每股7.5港仙)，並待股東在股東周年大會上投票通過及尚未在綜合財務報表確認為負債。本公司合共所付出之利息包括二零零五年的末期息為59,370,000港元(二零零五年：49,195,000)已在本年度綜合財務報表反映。

The final dividend proposed of HK9.0 cents (2005: HK7.5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting and has not been included as a liability in these consolidated financial statements. The total dividends paid by the Company, including the final dividend for the year 2005, amounting to HK\$59,370,000 (2005: HK\$49,195,000) are reflected in the current year's consolidated financial statements.

13. 每股盈利

每股基本及攤薄後盈利乃根據下列資料計算：

EARNINGS PER SHARE

The amounts presented for basic and diluted earnings per share have been calculated as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本公司股東應佔溢利及計算每股基本及攤薄後盈利之盈利	Profit for the year attributable to equity holders of the Company and earnings for the purposes of calculating basic and diluted earnings per share	168,389	123,150
		股份數目 Number of shares	
		千股 '000	千股 '000
計算每股基本盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	474,816	468,747
可能對股份產生之攤薄影響：	Effect of dilutive potential shares:		
購股權	Share options	3,445	2,411
計算每股攤薄後盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	478,261	471,158

13. 每股盈利 (續)

下表概述應用新香港財務報告準則對每股基本盈利及攤薄盈利之影響：

EARNINGS PER SHARE (CONTINUED)

The following table summarises the impact on both basic and diluted earnings per share as a result of the application of new HKFRSs:

		對每股基本 盈利之影響		對每股攤薄後 盈利之影響	
		Impact on basic earnings per share		Impact on diluted earnings per share	
		二零零六年	二零零五年	二零零六年	二零零五年
		2006	2005	2006	2005
		港仙	港仙	港仙	港仙
		cents	cents	cents	cents
調整前所呈報之數字	Reported figures before adjustments	35.6	26.3	35.3	26.1
會計政策變動產生 之調整 (見附註2)	Adjustments arising from changes in accounting policies (see note 2)	(0.1)	—	(0.1)	—
呈報/重列	Reported/restated	<u>35.5</u>	<u>26.3</u>	<u>35.2</u>	<u>26.1</u>

14. 物業、廠房及設備

PROPERTY, PLANT AND EQUIPMENT

		正在興工程 Construction in progress 千港元 HK\$'000	永久 業權土地 Freehold land 千港元 HK\$'000	樓宇 Buildings 千港元 HK\$'000	傢俬、裝置及 辦公室設備 Furniture, fixtures and office equipment 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值	AT COST							
於二零零四年四月一日	At 1st April, 2004	114,675	3,214	145,938	69,521	47,808	157,111	538,267
外匯結算差額	Currency realignment	450	34	338	63	92	234	1,211
重新分類	Reclassification	(121,483)	-	90,942	4,813	-	25,728	-
添置	Additions	91,552	-	250	4,133	12,012	16,759	124,706
收購附屬公司(附註37)	Acquired on acquisition of subsidiaries (note 37)	-	-	761	660	437	634	2,492
出售	Disposals	-	-	(538)	(11,532)	(5,366)	(10,512)	(27,948)
於二零零五年三月三十一日	At 31st March, 2005	85,194	3,248	237,691	67,658	54,983	189,954	638,728
外匯結算差額	Currency realignment	1,375	7	4,717	610	479	3,330	10,518
重新分類	Reclassification	(103,597)	-	32,684	8,948	-	61,965	-
添置	Additions	63,357	-	2,730	5,468	4,409	13,054	89,018
出售	Disposals	-	-	(2,125)	(3,806)	(13,927)	(9,893)	(29,751)
於二零零六年三月三十一日	At 31st March, 2006	46,329	3,255	275,697	78,878	45,944	258,410	708,513
折舊及攤銷以及 減值準備	DEPRECIATION AND AMORTISATION AND IMPAIRMENT							
於二零零四年四月一日	At 1st April, 2004	-	2,228	56,426	51,352	28,674	82,545	221,225
外匯結算差額	Currency realignment	-	24	11	132	44	66	277
收購附屬公司(附註37)	Acquired on acquisition of subsidiaries (note 37)	-	-	113	650	368	562	1,693
年內撥備	Depreciation provided for the year	-	-	7,570	6,937	7,862	13,690	36,059
年內減值準備	Impairment loss for the year	-	-	129	7	722	508	1,366
回沖減值準備	Reversal of impairment loss	-	(339)	-	-	-	-	(339)
出售時抵銷	Eliminated on disposals	-	-	(79)	(10,938)	(4,352)	(9,575)	(24,944)
於二零零五年三月三十一日	At 31st March, 2005	-	1,913	64,170	48,140	33,318	87,796	235,337
外匯結算差額	Currency realignment	-	5	1,184	411	348	1,413	3,361
年內撥備	Depreciation provided for the year	-	-	10,399	7,244	5,316	16,006	38,965
年內減值準備	Impairment loss for the year	-	-	-	45	-	1,526	1,571
出售時抵銷	Eliminated on disposals	-	-	(797)	(3,506)	(11,319)	(8,792)	(24,414)
於二零零六年三月三十一日	At 31st March, 2006	-	1,918	74,956	52,334	27,663	97,949	254,820
賬面淨值	CARRYING VALUES							
於二零零六年三月三十一日	At 31st March, 2006	46,329	1,337	200,741	26,544	18,281	160,461	453,693
於二零零五年三月三十一日	At 31st March, 2005	85,194	1,335	173,521	19,518	21,665	102,158	403,391

14. 物業、廠房及設備 (續)

上文所述之物業、廠房及設備項目乃以直線法按以下年率折舊：

永久業權土地	無
樓宇	2.5%或以租約之尚餘年期，以較短者計算
傢俬、裝置及辦公室設備	20%至50%
汽車	20%至33%
廠房及機器	6%至33%

正在興建工程乃按成本減累計減值虧損入賬，直至其投入使用之前均不作折舊。

於二零零六年三月三十一日，本集團並無以融資租賃持有物業、廠房及設備（二零零五年：76,000 港元）。

於本年度，本集團就其物業、廠房及設備進行了檢討，並斷定部分該等資產因實際損壞及技術落伍而出現減值。據此，「傢俬、裝置及辦公室設備」及「廠房及機器」已分別確認減值虧損45,000港元及1,526,000港元。相關資產之可收回金額已按其使用時之價值釐定。

PROPERTY, PLANT AND EQUIPMENT*(CONTINUED)*

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

Freehold land	Nil
Buildings	Over the shorter of the remaining term of the lease or 2.5%
Furniture, fixtures and office equipment	20% to 50%
Motor vehicles	20% to 33%
Plant and machinery	6% to 33%

Construction in progress will not be depreciated until the assets are put into intended use and accordingly is stated at cost less accumulated impairment loss.

The Group had no property, plant and equipment held under finance leases at 31st March, 2006 (2005:HK\$76,000).

During the year, the Group conducted a review on the property, plant and equipment and determined that a number of those assets were impaired, due to the physical damage and technical obsolescence. Accordingly, impairment losses of HK\$45,000 and HK\$1,526,000 have been recognised in respect of furniture, fixtures and office equipment and plant and machinery respectively. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

14. 物業、廠房及設備 (續)

PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
集團之物業權益包括：	The Group's property interests comprise:		
香港以外地區持有之永久業權土地	Freehold land held outside Hong Kong	1,337	1,335
租賃物業：	Leasehold properties:		
在香港持有之中期租賃	Held in Hong Kong under medium-term lease	12,483	13,649
在香港以外地區持有之	Held outside Hong Kong:		
— 長期租賃	Long lease	625	706
— 中期租賃	Medium-term lease	187,633	158,784
— 短期租賃	Short-term lease	—	382
		202,078	174,856

15. 預付土地租金

PREPAID LEASE PAYMENTS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本集團預付土地租金包括： The Group's prepaid lease payments comprise:			
香港持有之租賃土地：	Leasehold land in Hong Kong:		
— 中期租賃	Medium-term lease	12,809	13,120
香港以外地區持有之	Leasehold land outside Hong Kong:		
— 長期租賃	Long lease	1,366	1,390
— 中期租賃	Medium term lease	62,774	64,286
— 短期租賃	Short term lease	—	676
		76,949	79,472
分析作報告用途：			
流動部份	Analysed for reporting purposes as: Current asset	2,280	1,945
非流動部份	Non-current asset	74,669	77,527
		76,949	79,472

16. 商譽

GOODWILL

		合計 Total 千港元 HK\$'000
<hr/>		
成本	AT COST	
於二零零四年四月一日	At 1st April, 2004	–
因收購一附屬公司而產生	Arising on acquisition of subsidiaries	1,888
因於一附屬公司之權益增加而產生	Arising on acquisition of additional interest in subsidiaries	17,787
		<hr/>
於二零零五年三月三十一日	At 31st March, 2005	19,675
		<hr/>
應用香港財務報告準則第三條時抵銷累計攤銷	Elimination of accumulated amortisation upon the application of HKFRS 3	(444)
		<hr/>
於二零零六年三月三十一日	At 31st March, 2006	19,231
<hr/>		
攤銷	AMORTISATION	
於二零零四年四月一日	At 1st April, 2004	–
本年度攤銷	Amortised for the year	444
		<hr/>
於二零零五年三月三十一日	At 31st March, 2005	444
應用香港財務報告準則第三條時抵銷累計攤銷	Elimination of accumulated amortisation upon the application of HKFRS 3	(444)
		<hr/>
於二零零六年三月三十一日	At 31st March, 2006	–
<hr/>		
賬面值	CARRYING VALUES	
於二零零六年三月三十一日	At 31st March, 2006	19,231
		<hr/> <hr/>
於二零零五年三月三十一日	At 31st March, 2005	19,231
		<hr/> <hr/>

16. 商譽 (續)

於業務合併收購之商譽乃於收購時分配至預期將從該業務合併中受惠之現金產生單位「現金產生單位」。商譽之賬面值已分配如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銷售及製造溶劑	Sale and manufacture of solvents	17,343	17,343
銷售及製造潤滑油	Sale and manufacture of lubricants	1,888	1,888
		19,231	19,231

於截至二零零六年三月三十一日止年度，本集團之管理層認為包含商譽之現金產生單位並無減值。

現金產生單位之可收回金額乃按其使用價值而釐定。計算使用價值時採用之主要假設乃根據期內之折現率、增長率及預期銷售價及直接成本之變動而釐訂。管理層以可反映現時市場評估資金之時間價值及該現金產生單位所面對風險之稅前率估算折現率。增長率乃基於對業界之增長預測而定出。銷售價及直接成本之變動則根據過往慣例及預期日後市場之變化而釐定。

於本年度，本集團按照獲管理層批准之各自最近期財務預算得出未來五年現金流，並使用相同之貼現率5%，反映市場現時對貨幣時值的評估及現金產生單位特定風險之評估。增長率則按業內增長預測計算。確定商譽並無需要減值。

GOODWILL (CONTINUED)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU"s) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銷售及製造溶劑	Sale and manufacture of solvents	17,343	17,343
銷售及製造潤滑油	Sale and manufacture of lubricants	1,888	1,888
		19,231	19,231

During the year ended 31st March, 2006, management of the Group determines that there are no impairment of any of its CGUs containing goodwill.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the respective most recent financial budgets for the next five years approved by management using the same discount rate of 5% which reflects current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. No impairment loss was considered necessary.

17. 無形資產

INTANGIBLE ASSET

技術知識
Technical knowhow
 千港元
 HK\$'000

成本	AT COST	
於二零零四年四月一日、 二零零五年三月三十一日 及二零零六年三月三十一日	At 1st April, 2004, 31st March, 2005 and 31st March, 2006	5,000
攤銷	AMORTISATION	
於二零零四年四月一日 年內撥備	At 1st April, 2004 Provided for the year	1,000 1,000
於二零零五年三月三十一日 年內撥備	At 31st March, 2005 Provided for the year	2,000 1,000
於二零零六年三月三十一日	At 31st March, 2006	3,000
賬面淨值	CARRYING VALUES	
於二零零六年三月三十一日	At 31st March, 2006	2,000
於二零零五年三月三十一日	At 31st March, 2005	3,000

本集團之無形資產為向獨立第三者購買用作生產絕緣漆產品之技術知識之成本。無形資產乃採用直線法於預計可使用年期內(即五年)攤銷。

The intangible asset of the Group represents the cost of the technical knowhow acquired from an independent third party to manufacture certain insulating varnish products. The cost of the intangible asset is amortised on a straight line basis over its estimated useful life of five years.

18. 可供出售投資

非上市股本證券， 按成本減減值準備	Unlisted shares in Mainland China, at cost less impairment loss
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二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
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16,841	–
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由於估計該等投資合理公允值時所需考慮之假設因素範圍甚廣，加上上述投資主要為非上市股份，本公司之董事認為未能可靠地衡量其公允值，故此按成本減除於各結算日之累計減值計算。

AVAILABLE-FOR-SALE INVESTMENT

The above investment represents investment in unlisted equity shares and is measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

19. 其他流動資產

本集團之金額乃指本集團持有會所債券之成本及於各結算日(如有)按成本減累計減值虧損計算。

OTHER NON-CURRENT ASSETS

The amount of the Group represents the cost of club debentures held by the Group and is measured at cost less accumulated impairment losses, if any, at each balance sheet date.

20. 存貨

原料	Raw materials
在製品	Work in progress
製成品	Finished goods

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
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184,837	192,809
23,276	27,563
133,629	74,398

341,742	294,770
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21. 應收賬款

於結算日應收賬款之賬齡分析如下：

零至三個月	0-3 months
四至六個月	4-6 months
六個月以上	Over 6 months

本集團向其除銷客戶提供由30天至90天之信貸期。董事認為貿易應收款項之帳面值與公允值相若。

22. 其他應收賬款

本集團之董事認為其他應收賬款之公允值與帳面值相若。

TRADE DEBTORS

An aged analysis of trade debtors at the balance sheet date is as follows:

二零零六年	二零零五年
2006	2005
千港元	千港元
HK\$'000	HK\$'000
494,158	440,700
93,653	90,002
23,038	25,558
610,849	556,260

The Group allows a credit period ranging from 30 to 90 days to its trade customers. The directors consider that the carrying amount of trade debtors approximates their fair value.

OTHER DEBTORS

The directors consider that the carrying amount of other debtors approximates their fair value.

23. 衍生金融工具

DERIVATIVE FINANCIAL INSTRUMENTS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
遠期外匯合約	Forward foreign exchange contracts	<u>2</u>	<u>-</u>

於二零零六年三月三十一日，本集團已承擔之尚未交收遠期外匯合約之名義總額為47,000歐元。

非對沖貨幣衍生工具之公允價值變動為2,000港元，並已於年內之收入中扣除。

本集團目前並無就對沖其海外業務之換算而指定其外任何幣計值債務為對沖工具。

上述衍生工具於各結算日按公允值計算，其公允值按於結算日銀行同類工具所報市價而釐定。

At 31st March, 2006, the total notional amount of outstanding forward foreign exchange contracts for which the Group is committed amounted to EUR\$47,000.

Changes in the fair value of non-hedging currency derivatives amounting to HK\$2,000 have been charged to consolidated income statement during the year.

The Group does not currently designate any hedging relationship on the forward foreign exchange contracts for the purpose of hedging accounting.

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the quoted market prices for equivalent instruments from bank at the balance sheet date.

24. 現金及銀行結存

BANK BALANCES AND CASH

現金及銀行結存包括下列並非以有關實體營業所在地之功能貨幣為單位之款項。

Included in bank balances and cash are the following amounts denominated in a currencies other than the functional currencies.

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
美元	United States dollar	34,940	14,025
港元	Hong Kong dollar	7,313	12,318
人民幣	RMB	818	732
其他	Others	105	38
		<u>43,176</u>	<u>27,113</u>

所有銀行存款按現行市場利率計息及賬面值與公允值相若。

All bank deposits carry interest at prevailing market rate and the carrying amounts approximate their fair value.

25. 應付賬款及應計費用

於結算日，應付賬款及應計費用結餘包括應付貨款221,912,000港元(二零零五年：262,753,000港元)，於結算日應付貨款之賬齡分析如下：

零至三個月	0-3 months
四至六個月	4-6 months
六個月以上	Over 6 months

本集團之董事認為貿易應付賬款之公允值與帳面值相若。

CREDITORS AND ACCRUED CHARGES

At the balance sheet date, the balance of creditors and accrued charges included trade creditors of HK\$221,912,000 (2005:HK\$262,753,000). An aged analysis of trade creditors at the balance sheet date is as follows:

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
	217,544	243,112
	3,229	18,532
	1,139	1,109
	221,912	262,753

The directors consider that carrying amount of creditors approximates their fair value.

26. 融資租賃

OBLIGATIONS UNDER A FINANCE LEASE

		最低租金付款 Minimum lease payments		最低租金付款現值 Present value of minimum lease payments	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
融資租賃的 應付款項：	Amounts payable under finance lease:				
一年內	Within one year	40	69	33	56
第二年至 第五年內	In the second to fifth year inclusive	—	40	—	33
		<u>40</u>	<u>109</u>	<u>33</u>	<u>89</u>
減：未來利息費用	Less: Future finance charges	(7)	(20)	—	—
應付融資租賃 淨值總額	Present value of lease obligations	<u>33</u>	<u>89</u>	<u>33</u>	<u>89</u>
減：須於一年內 清還（歸納為 流動負債之金額）	Less: Amount due for settlement within one year (shown under current liabilities)			(33)	(56)
須於一年後清還	Amount due for settlement after one year			<u>—</u>	<u>33</u>

於二零零六年三月三十一日之結餘為以分期付款購買一輛汽車之尚欠本金。租賃為期5年，年息為4.5厘、定額償還，並無訂立或然租金安排。本集團之融資租約承擔乃以所租賃資產作為給予出租人之抵押。

所有租賃債務以港元支付。

本集團之董事認為融資租賃之公允值與帳面值相若。

The balance as at 31st March, 2006 represents the outstanding principal regarding the hire purchase of a motor vehicle with lease term of 5 years. The lease bears interests at 4.5% interest rate per annum, on a fixed repayment basis and there is no arrangement have been entered into for contingent rental payments. The Group's obligations under a finance lease are secured by the lessor's charge over the leased asset.

All lease obligations are denominated in Hong Kong dollars.

The directors consider that the carrying value of the Group's lease obligations approximates their fair value.

27. 銀行貸款

BANK BORROWINGS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
無擔保銀行貸款	Unsecured bank loans	513,275	408,253
銀行借貸需於以下 年期清還：	The borrowings are repayable as follows:		
應要求下或一年內	On demand or within one year	347,390	281,970
一年後至兩年內	More than one year but not exceeding two years	110,249	97,617
兩年後至三年內	More than two years but not more than three years	55,636	28,666
		513,275	408,253
減：須於一年內清 還並歸納為流 動負債之金額	Less: Amounts due within one year shown under current liabilities	(347,390)	(281,970)
		165,885	126,283
		二零零六年 2006	二零零五年 2005
平均已付利率如下：	The average interest rates paid were as follows:		
銀行貸款	Bank loans	4.12%	1.36%

另外，本集團大部份銀行貸款為浮動利率貸款，利率由香港銀行同業拆息加0.4%到香港銀行同業拆息加0.725%。利率一般於每3個月重定一次。

所有本集團之借貸以相關公司之功能貨幣支付。

本集團之董事認為以上貸款之公允值與帳面值相若。

Majority of the Group's bank loans are variable-rate borrowings which carry interests at the range of HIBOR plus 0.4% to HIBOR plus 0.725%. Interest is generally repriced every 3 months.

All the Group's borrowings are denominated in functional currencies of the relevant entities.

The directors consider that the carrying amount of the above borrowings approximates their fair value.

28. 遞延稅項

以下為本集團已確認之主要遞延稅項負債與資產及於本年及上年內之有關變動：

DEFERRED TAXATION

The followings are the major deferred taxation liabilities and assets recognised by the Group and movements thereon during the current and prior years:

		加速稅項折舊	未用稅損	其他	總計
		Accelerated tax depreciation	Tax losses	Others	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零四年 四月一日	At 1st April, 2004	1,952	(83)	–	1,869
收購附屬公司	Acquired on acquisition of subsidiaries	35	(597)	(129)	(691)
於收益表(計入) 扣除	(Credit) charge to consolidated income statement for the year	(82)	45	–	(37)
於二零零五年三月 三十一日	At 31st March, 2005	1,905	(635)	(129)	1,141
年內於收益表(計入) 扣除	(Credit) charge to consolidated income statement for the year	(54)	16	–	(38)
於二零零六年 三月三十一日	At 31st March, 2006	1,851	(619)	(129)	1,103

28. 遞延稅項 (續)

就呈列資產負債表而言，若干遞延稅項資產及負債已經對沖。用作財務報告用途之遞延稅項結餘分析如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
遞延稅項資產	Deferred taxation assets	(691)	(691)
遞延稅項負債	Deferred taxation liabilities	1,794	1,832
		1,103	1,141

於二零零六年三月三十一日，本集團有未確認稅務虧損約234,001,000港元（二零零五年：194,940,000港元）可供抵銷未來溢利。本年度已確認稅務虧損3,537,000港元（二零零五年：3,628,000）為遞延稅項資產。由於未能預期未來的溢利流量，故未有確認餘下230,464,000港元（二零零五年：191,312,000港元）遞延稅項資產，其中206,169,000港元（二零零五年：182,129,000港元）稅務虧損可無限期結轉，餘額將於二零一零年或之前到期。

根據財務預算，管理層相信於未來將有足夠應課稅溢利就稅項虧損兌現遞延稅項資產。

DEFERRED TAXATION (CONTINUED)

For the purpose of balance sheet presentation, certain deferred taxation assets and liabilities have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
遞延稅項資產	Deferred taxation assets	(691)	(691)
遞延稅項負債	Deferred taxation liabilities	1,794	1,832
		1,103	1,141

At 31st March, 2006, the Group had unused tax losses of approximately HK\$234,001,000 (2005: HK\$194,940,000) available to offset against future profits. A deferred taxation asset has been recognised in respect of HK\$3,537,000 (2005: 3,628,000) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$230,464,000 (2005: HK\$191,312,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses, HK\$206,169,000 (2005: HK\$182,129,000) may be carried forward indefinitely and the balance will expire at various dates up to and including 2010.

By reference to financial budgets, management believes that there will be sufficient future profits available in the future for realisation of deferred taxation assets in respect of tax losses.

29. 股本

SHARE CAPITAL

	法定 Authorised	已發行及繳足 Issued and fully paid	
		二零零六年及 二零零五年 2006 & 2005	二零零六年 2006
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
每股面值0.10港元之股份 Shares of HK\$0.10 each	80,000	47,656	47,293

年內本公司之已發行股本有以下變動：

Movements in the issued share capital of the Company during the year are as follows:

		股份數目	金額
		Number of shares	Amount
		千股 '000	千港元 HK\$'000
於二零零四年四月一日	At 1st April, 2004	466,925	46,693
行使購股權	Exercise of share options	6,005	600
於二零零五年三月三十一日 及二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	472,930	47,293
行使購股權(附註)	Exercise of share options (note)	3,627	363
於二零零六年三月三十一日	At 31st March, 2006	476,557	47,656

附註：於截至二零零六年三月三十一日止年度內，共有3,627,000股之購股權股份獲行使，本公司因此而分別發行800,000股、2,075,000股及752,000股每股面值0.10港元之股份，每股作價分別為1.190港元、1.590港元及2.004港元。所有已發行股份均在所有方面與當時之現有股份享有同等權益。

Note: During the year ended 31st March, 2006, 3,627,000 share options were exercised, resulting in the issue of 800,000 shares, 2,075,000 shares and 752,000 shares of HK\$0.10 each in the Company at a price of HK\$1.190, HK\$1.590 and HK\$2.004 per share respectively. All shares issued rank pari passu with the then existing shares in issue in all respects.

30. 購股權計劃

於一九九一年七月十八日，本公司採納舊購股權計劃（「舊計劃」），該計劃已於二零零一年七月十七日終止。根據該舊計劃，董事會可向集團任何合資格僱員（包括本公司或其附屬公司之董事）授予可認購本公司股份之購股權。所授出之購股權可由其授予當日（必須由提出之日起計二十八日內接受）起於五年內行使。在接納授出之購股權時，須支付一港元之面值代價。購股權所涉及股份之認購價，乃不低於股份於授出購股權前五個交易日之平均收市價80%之金額。根據該舊計劃可授出之購股權，最高股份數目將不得超過本公司不時已發行公司股份10%。於二零零六年三月三十一日，並無該計劃已授出之購股權尚未被行使。

於二零零一年八月二十八日採納另一新購股權計劃（「2001計劃」），其目的是藉以獎勵參與者，並將於二零零六年八月二十七日到期。該2001計劃之主要條款概要與舊計劃相同。沒有購股權按2001計劃自採納而授出。

SHARE OPTION SCHEME

On 18th July, 1991, the Company adopted a share option scheme (the "Old Scheme") and this scheme expired on 17th July, 2001. Under the Old Scheme, the directors may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, to subscribe for shares in the Company. Options granted are exercisable within five years from the date of grant, where the acceptance date should not be later than 28 days after the date of offer. A nominal consideration of HK\$1 was payable on acceptance of the grant of options. The subscription price of the share option was the higher of the nominal value of the shares and an amount which was not less than 80% of the average of the last dealt prices of the shares on the five trading days immediately preceding the offer of the options. The maximum number of shares in respect of which options may be granted under the Old Scheme may not exceed the nominal amount of 10% of the issued share capital of the Company from time to time. As at 31st March, 2006, there is no option granted under the Old Scheme which is still outstanding.

A new share option scheme (the "2001 Scheme") was adopted on 28th August, 2001 for the purpose of providing incentives to the participants and would expire on 27th August, 2006. The principal terms of the 2001 Scheme were the same as the terms of the Old Scheme. No share options were granted under the 2001 Scheme since its adoption.

30. 購股權計劃 (續)

於二零零二年九月三日，本公司批准終止2001計劃及採納將於二零一二年九月二日到期之新購股權計劃（「新計劃」），以便遵從香港聯合交易所有限公司證券上市規則修訂之第十七章之條款。新計劃之目的為確定及激勵參與人士作出貢獻，並提供鼓勵及直接經濟利益，以達到本公司之長期業務目標。根據新計劃，董事可授出購股權予合資格之本集團僱員，包括本公司或其附屬公司之董事，本集團之法律、金融、管理及技術顧問及諮詢人、主要客戶及原料及機械供應商，以認購本公司之股份。授出之購股權可自授出日期起十年內行使，而接納日期不應遲於要約日期後之二十八日後。接納獲授之購股權時應支付一港元之象徵式代價。購股權股份之最少認購價須為以下三者較高者(i)股份於授出日期之收市價；(ii)股份於緊接授出日期前五個交易日之平均收市價；及(iii)股份之面值。根據新計劃可授出之購股權有關之股份數目上限，不得超過於批准新購股權計劃當日本公司之已發行股本10%之面值金額。然而，因行使所有已授出之購股權而發行之股份數目上限總額不得超過不時已發行股本之30%。在未獲得本公司之股東批准前，在任何一年內，授予任何人士之購股權股份數目，不得超過本公司不時已發行股份之1%。

SHARE OPTION SCHEME (CONTINUED)

On 3rd September, 2002, the Company approved the termination of the 2001 Scheme and adopted a new share option scheme (the "New Scheme") which will expire on 2nd September, 2012 in order to comply with the terms of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The purpose of the New Scheme is to recognise and motivate the participants and to provide incentives and a direct economic interest in attaining the long term business objectives of the Company. Under the New Scheme, the directors may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, legal, financial, management and technical advisers and consultants, major customers and raw material and machinery suppliers of the Group, to subscribe for shares in the Company. Options granted are exercisable within ten years from the date of grant, where the acceptance date should not be later than 28 days after the date of offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the share option is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the New Scheme may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of approval of the New Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding shares options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

30. 購股權計劃 (續)

於二零零五年十月二十四日，本公司根據新計劃內條款授出總數為8,626,000股購股權予115位全職僱員（包括執行董事），每股行使價為2.004港元。

截至二零零六年三月三十一日止兩個年度，本公司之購股權計劃中尚未行使之購股權及其相關之加權平均行使價變動概列如下：

SHARE OPTION SCHEME (CONTINUED)

On 24th October, 2005, a total of 8,626,000 share options were granted to 115 full time employees, including the executive directors, at an exercise price of HK\$2.004 under the terms of the New Scheme.

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the two years ended 31st March, 2006 under the Company's share option schemes are as follows:

		購股權數目						
		Number of share options						
授出日期	行使價	於二零零五年		於二零零六年		尚未行使	尚未行使	
		尚未行使	年內已授出	年內已行使	年內已取消			
Date of grant	Exercise price	Outstanding	Granted	Exercised	Cancelled	Outstanding	Outstanding	
	港元	at	during	during	during	at	at	
	HK\$	1.4.2005	the year	the year	the year	31.3.2006	31.3.2006	
新計劃	二零零二年十一月十四日	1.190	2,700,000	—	800,000	—	1,900,000	
New Scheme	14th November, 2002							
	二零零四年五月十七日	1.590	5,025,000	—	2,075,000	—	2,950,000	
	17th May, 2004							
	二零零四年十月八日	1.690	3,000,000	—	—	—	3,000,000	
	8th October, 2004							
	二零零五年十月二十四日	2.004	—	8,626,000	752,000	—	7,874,000	
	24th October, 2005							
			10,725,000	8,626,000	3,627,000	—	15,724,000	
	加權平均							
	每股行使價							
	Weighted average exercise							
	price per share							
	港元							
	HK\$		1.517	2.004	1.588	—	1.768	

30. 購股權計劃 (續)

SHARE OPTION SCHEME (CONTINUED)

		購股權數目 Number of share options					
		於二零零四年 四月一日 尚未行使	年內已授出	年內已行使	年內已取消	於二零零五年 三月三十一日 尚未行使	
授出日期	行使價	Outstanding at 1.4.2004	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding at 31.3.2005	
Date of grant	Exercise price 港元 HK\$						
舊計劃 Old Scheme	二零零一年七月十六日 16th July, 2001	0.395	700,000	-	700,000	-	-
新計劃 New Scheme	二零零二年十一月十四日 14th November, 2002	1.190	5,220,000	-	2,520,000	-	2,700,000
	二零零四年五月十七日 17th May, 2004	1.590	-	7,910,000	2,785,000	100,000	5,025,000
	二零零四年十月八日 8th October, 2004	1.690	-	3,000,000	-	-	3,000,000
			<u>5,920,000</u>	<u>10,910,000</u>	<u>6,005,000</u>	<u>100,000</u>	<u>10,725,000</u>
	加權平均 每股行使價 Weighted average exercise price per share 港元 HK\$		<u>1.096</u>	<u>1.617</u>	<u>1.283</u>	<u>1.590</u>	<u>1.517</u>

30. 購股權計劃 (續)

有關包括於以上資料表內董事持有購股權之詳情如下：

SHARE OPTION SCHEME (CONTINUED)

Details of the options held by the directors included in the above table are as follows:

		購股權數目 Number of share options				
授出日期 Date of grant	行使價 Exercise price 港元 HK\$	於二零零五年 四月一日 尚未行使 Outstanding at 1.4.2005	年內已授出 Granted during the year	年內已行使 Exercised during the year	於二零零六年 三月三十一日 尚未行使 Outstanding at 31.3.2006	
		新計劃 New Scheme	二零零二年十一月十四日 14th November, 2002	1,190	1,500,000	-
	二零零四年五月十七日 17th May, 2004	1,590	1,200,000	-	450,000	750,000
	二零零五年十月二十四日 24th October, 2005	2,004	-	1,200,000	400,000	800,000
			<u>2,700,000</u>	<u>1,200,000</u>	<u>850,000</u>	<u>3,050,000</u>

30. 購股權計劃 (續)

SHARE OPTION SCHEME (CONTINUED)

		購股權數目 Number of share options				
		於二零零四年 四月一日 尚未行使	年內已授出	年內已行使	於二零零五年 三月三十一日 尚未行使	
授出日期 Date of grant	行使價 Exercise price 港元 HK\$	Outstanding at 1.4.2004	Granted during the year	Exercised during the year	Outstanding at 31.3.2005	
舊計劃 Old Scheme	二零零一年七月十六日 16th July, 2001	0.395	700,000	–	700,000	–
新計劃 New Scheme	二零零二年十一月十四日 14th November, 2002	1.190	2,000,000	–	500,000	1,500,000
	二零零四年五月十七日 17th May, 2004	1.590	–	1,500,000	300,000	1,200,000
			<u>2,700,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,700,000</u>

年內於行使購股權日期的加權平均股價為2.198港元。於結算日尚未行使購股權之平均剩餘合約年期為8.74年(二零零五年：8.85年)。於本年度，本公司於二零零五年十月二十四日授出購股權，該日授出之購股權之估計公允值為0.1458港元。

該等公允值乃根據「柏力克－舒爾斯」定價模式計算。該定價模式之輸入數值列明如下：

The weighted average share price at the dates of exercise of share option during the year was HK\$2.198. The option outstanding at the end of the year have a weighted average remaining contract life of 8.74 years (2005: 8.85 years). In the current year, options were granted on 24th October, 2005. The estimated fair values of the options granted on that date is \$0.1458.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		二零零六年 2006
加權平均股價	Weighted average share price	HK\$1.990
加權平均行使價	Weighted average exercise price	HK\$2.004
預計波幅	Expected volatility	25%
預計期限	Expected life	2 years
無風險利率	Risk free rate	3.75%
預計股息率	Expected dividend yield	6.73%

30. 購股權計劃 (續)

由於柏力克—舒爾斯期權定價模式需要投入高度主觀之假設，包括股價之波動，因此主觀投入假設之變動可重大影響公允值之估計。

預計波幅乃依據本公司股價於過往三年內之歷史波幅測算。於該模式使用之預計年期已就非轉讓性、行使限制及行為考慮因素的影響，根據管理層之最佳估計作出調整。

年內，授出總數為8,626,000股購股權予合資格之本集團僱員（包括本公司及其附屬公司之董事），每股行使價為2.004港元。並向接受授出購股權之僱員收取之總代價為115港元（二零零五年：102港元）。

年內，集團確認有關支付購股權交易之總費用為1,258,000港元（二零零五年：無）。

31. 已抵押資產

於二零零五年三月三十一日，本集團一間附屬公司銀行存款3,914,000港元作抵押以獲取銀行對該附屬公司提供信貸額度。此抵押銀行存款其後已在二零零六年三月三十一日期間解除。

於二零零五年三月三十一日，本集團一間附屬公司將賬面淨值約646,000港元之中期租用業權之物業作抵押予銀行，以獲取銀行對該附屬公司提供信貸額度。此物業已在二零零六年三月三十一日期間解除。

SHARE OPTION SCHEME (CONTINUED)

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Expected volatility was determined by using historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

During the year, a total of 8,626,000 options were granted to eligible employees of the Group (including directors of the Company and its subsidiaries) at an exercise price of HK\$2.004. Total consideration received from employees for taking up the options granted amounted to HK\$115 (2005: HK\$102).

During the year, the Group recognised total expenses of HK\$1,258,000 (2005: nil) related to share option payment transactions.

PLEDGE OF ASSETS

As at 31st March, 2005, bank deposits of HK\$3,914,000 of a subsidiary were pledged to banks to secure its own general banking facilities. The pledged deposits were released during the year ended 31st March, 2006.

As at 31st March, 2005, a property held under medium term leases with an aggregate carrying amount of HK\$646,000 of a subsidiary was pledged to banks to secure its own general banking facilities. The pledged was released during the year ended 31st March, 2006.

32. 資本性承擔**CAPITAL COMMITMENTS**

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
就添置物業、廠房及設備已訂約但財務報告中未予撥備	Contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	25,903	28,042

此外，若干附屬公司已作出承擔，就其附屬公司尚未繳付之投資出資約37,300,000港元（二零零五年：8,500,000港元）。

In addition, certain subsidiaries are committed to contribute approximately HK\$37.3 million (2005: HK\$8.5 million) in respect of unpaid investments in their subsidiaries.

33. 營業租約承擔**OPERATING LEASE COMMITMENTS****本集團作為承租人****The Group as lessee**

於結算日，本集團就於下列年期屆滿之租賃物業、貯存缸及附屬設施之不可撤銷營業租約而須承擔繳付未來最低租賃款項：

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented properties and storage tanks and ancillary facilities which fall due as follows:

		租賃物業 Rented properties		貯存缸及附屬設施 Storage tanks and ancillary facilities	
		二零零六 2006 千港元 HK\$'000	二零零五 2005 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000	二零零五 2005 千港元 HK\$'000
一年內	Within one year	3,489	2,780	6,736	6,206
第二至第五年(首尾兩年包括在內)	In the second to fifth year inclusive	11,936	5,414	6,174	–
五年後	After five years	13,843	3,747	–	–
		29,268	11,941	12,910	6,206

33. 營業租約承擔 (續)

根據與本集團訂立之租約，租賃期由一年至十年。除租賃貯存缸及附屬設施之租金會因每月用量超出既定標準而增加外，其他租金乃根據協議定額支付。

本集團作為出租人

於結算日，本集團與租客已簽訂以下有關貯存缸及附屬設施之未來最低租賃款項：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
一年內	Within one year	1,749	8,268
第二至第五年(首尾 兩年包括在內)	In the second to fifth year inclusive	996	—
		2,745	8,268

貯存缸及附屬設施已保證有客戶及牌照之租賃期為兩年。

34. 關聯人士交易

年內，本集團分別支付720,000港元(二零零五年：720,000港元)、600,000港元(二零零五年：600,000港元)及216,000港元(二零零五年：216,000港元)之租金予港德投資有限公司、嘉捷投資有限公司及香港微型科技有限公司，本公司之董事葉志成先生、葉子軒先生及吳紹平先生分別於該三間公司持有受益權。租金乃按照有關租約支付。

OPERATING LEASE COMMITMENTS

(CONTINUED)

Under the leases entered into by the Group, the lease terms are from one year to ten years. The lease payments are fixed except for the rental of storage tanks and ancillary facilities of which additional storage charges will be incurred if the monthly usage exceeds a certain level.

The Group as lessor

At the balance sheet date, the Group had contracted with tenants to receive the following future minimum sub-leasing payments in respect of storage tanks and ancillary facilities:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
一年內	Within one year	1,749	8,268
第二至第五年(首尾 兩年包括在內)	In the second to fifth year inclusive	996	—
		2,745	8,268

These storage tanks and ancillary facilities have committed tenants and licences for a lease term of two years.

RELATED PARTY TRANSACTIONS

During the year, the Group paid rent of HK\$720,000 (2005: HK\$720,000), HK\$600,000 (2005: HK\$600,000) and HK\$216,000 (2005: HK\$216,000) to Goldex Investments Limited, Galsheer Investments Limited and Microphase Technology Company Limited respectively in which Mr. Ip Chi Shing, Tony, Mr. Yip Tsz Hin, Stephen and Mr. Ng Siu Ping, George, the directors of the Company, have beneficial interests respectively. The rents were paid in accordance with the relevant rental agreements.

34. 關聯人士交易 (續)

主要管理人員為本公司之董事。彼等薪酬之詳情載於附註9。

35. 結算日後事項

於二零零六年四月十日，本公司之間接全資附屬公司香港紫荊花製漆(大中華)有限公司與Bauhinia Paints Limited(「BPL」)之少數股東王健先生(「王先生」)訂立協議，向王先生收購BPL餘下6.5%股本權益，代價為人民幣15,000,000元(相等於14,400,000港元)。

36. 退休福利計劃

本集團參與根據職業退休計劃條例登記之定額供款計劃(「職業退休計劃」)及根據強積金條例於二零零零年十二月成立之強積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有，由受保人管理之信託基金所持有。在強積金計劃成立之前，原為職業退休計劃成員之僱員可選擇繼續參與職業退休計劃或轉至強積金計劃，所有於二零零零年十二月一日或以後新入職之僱員需參與強積金計劃。

本公司於中國成立之附屬公司僱員乃由中國政府運作之國家監管退休福利計劃之成員。附屬公司之供款為僱員薪金之若干百分比，作為該退休福利計劃之資金。本集團之唯一責任為向該退休福利計劃提供特定的供款。

RELATED PARTY TRANSACTIONS (CONTINUED)

The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 9.

POST BALANCE SHEET EVENT

On 10th April, 2006, Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited, an indirect wholly owned subsidiary of the Company, entered into an agreement with Mr. Wang Jian ("Mr. Wang"), a minority shareholder of Bauhinia Paints Limited ("BPL"), a then indirect wholly owned subsidiary of the Company, to acquire the remaining 6.5% equity interest of BPL from Mr. Wang, at a consideration of RMB15 million (equivalent to HK\$14.4 million).

RETIREMENT BENEFIT PLAN

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme.

The employees of the Group's subsidiary in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

36. 退休福利計劃 (續)

綜合收益表內確認之3,766,000港元(二零零五年：3,446,000港元)代表本集團按計劃規則訂明之比率應向該等計劃作出之供款。於二零零六年三月三十一日，就二零零五年報告期間應付之供款382,000港元(二零零五年：380,000港元)仍未付予該等計劃。該等款項已於結算日後支付。

37. 收購附屬公司

於二零零五年二月二十一日，本集團擁有60%權益的葉氏太平洋有限公司收購太平洋石油有限公司和太平洋特種潤滑油有限公司之全部已發行股本。其主要業務為於中國大陸從事潤滑油製造和貿易。有關收購代價和法律費用為2,714,000港元。

RETIREMENT BENEFIT PLAN (CONTINUED)

The total expense recognised in the consolidated income statement of HK\$3,766,000 (2005: HK\$3,446,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31st March, 2006, contributions of HK\$382,000 (2005: HK\$380,000) due in respect of the 2005 reporting period had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

ACQUISITION OF SUBSIDIARIES

On 21st February, 2005, Yip's Pacific Limited, 60% beneficial interest owned by the Group, acquired the entire issued share capital of Pacific Oil & Chemical Company Limited and Pacific Special-Lube Limited. These companies are primarily engaged in the manufacture and trading of lubricant products in Mainland China. The purchase consideration and legal costs was HK\$2,714,000.

37. 收購太平洋石油集團 (續)

ACQUISITION OF SUBSIDIARIES (CONTINUED)

二零零五年
2005
千港元
HK\$'000

收購之淨資產：	Net assets acquired:	
物業、廠房及設備	Property, plant and equipment	799
遞延稅項資產	Deferred taxation assets	691
存貨	Inventories	573
應收賬款	Trade debtors	8,368
其他應收賬款及預付款項	Other debtors and prepayments	3,424
銀行結餘及現金	Bank balances and cash	5,456
應付賬款及應計費用	Creditors and accrued charges	(18,396)
融資租賃	Obligations under a finance lease	(89)
		<hr/>
		826
商譽	Goodwill	1,888
		<hr/>
收購代價	Total consideration	2,714
		<hr/> <hr/>
支付方式：	Satisfied by:	
現金	Cash	796
應付代價	Consideration payable	1,165
其他直接成本	Directly attributable costs	753
		<hr/>
		2,714
		<hr/> <hr/>
收購附屬公司之現金流入淨額	Net cash inflow arising on acquisition	
現金代價及其他直接成本	Cash consideration and direct attributable costs	(1,549)
收購之銀行結存及現金	Cash and cash equivalents acquired	5,456
		<hr/>
		3,907
		<hr/> <hr/>

於收購日，被收購之資產淨值之賬面值接近其公允價值。

The net book value of the net assets acquired at the date of acquisition approximate to their fair value.

商譽乃源自已收購業務之盈利能力及預期產生之協同效益。於收購日至結算日期間，新收購附屬公司貢獻純利334,000港元。

The goodwill is attributable to the profitability and the synergies expected to arise from the acquired business. These newly acquired subsidiaries contributed a profit of HK\$334,000 for the period from date of acquisition and the balance sheet date.

37. 收購太平洋石油集團 (續)

本集團之備考收入及業績

假設收購太平洋石油有限公司及太平洋特種潤滑油有限公司之交易已於財政年度首日完成，期內集團收入將變為2,767,533,000港元，年度純利則為162,475,000港元。此等備考資料僅作闡釋之用，即使有關收購已於二零零四年四月一日完成，此等資料不一定成為本集團有關業務之業績指標或作為日後業績之預測。

ACQUISITION OF SUBSIDIARIES (CONTINUED)

Pro forma Group's revenue and results

If the acquisition of Pacific Oil & Chemical Company Limited and Pacific Special-Lube Limited had been completed on 1st April, 2004, total group revenues for 2005 would have been HK\$2,767,533,000 and profit for the year ended 31st March, 2005 would have been HK\$162,475,000. These proforma information was presented for illustrative purposes only and was not necessarily an indicative results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st April, 2004, nor it intended to be a projection of future results.

38. 主要附屬公司

本公司之主要附屬公司於二零零六年三月三十一日之詳情如下：

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2006 are as follows:

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
億澤發展有限公司 Base Rich Development Limited	香港 Hong Kong	普通股－2港元 Ordinary – HK\$2	100%	物業投資 Property investment
Bauhinia Paints Limited	英屬處女群島 British Virgin Islands	普通股－1,000港元 Ordinary – HK\$1,000	93.5%	投資控股 Investment holding
紫荊花製漆(成都)有限公司 Bauhinia Paints Manufacturing (Chengdu) Co., Ltd.	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 28,000,000人民幣 Capital Contribution – RMB\$28,000,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
紫荊花製漆(吉林)有限公司 Bauhinia Paints Manufacturing (Jilin) Co., Ltd.	中華人民共和國 －合資合營企業 People's Republic of China － equity joint venture	資本貢獻－ 7,225,000港元 Capital Contribution – HK\$7,225,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
大中漆廠有限公司 Bauhinia Paints Manufacturing Limited	香港 Hong Kong	普通股－20港元 遞延股－600,000港元 Ordinary – HK\$20 Deferred – HK\$600,000	93.5% 100%	買賣溶劑及塗料 Trading in Solvents and Coatings
紫荊花製漆(上海)有限公司 Bauhinia Paints Manufacturing (Shanghai) Co., Ltd	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 3,600,000美元 Capital Contribution – US\$3,600,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
紫荊花製漆(深圳)有限公司 (前稱深圳大中化工有限公司) Bauhinia Paints Manufacturing (Shenzhen) Co., Ltd (Formerly known as Shenzhen Da Chong Chemical Ltd.)	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 10,000,000港元 Capital Contribution – HK\$10,000,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
紫荊花製漆(汕頭)有限公司 Bauhinia Paints Manufacturing (Shantou) Co., Ltd	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 8,000,000港元 Capital Contribution – HK\$8,000,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
Bauhinia Paints (Thailand) Manufacturing Limited	泰國 Thailand	普通股－250,000銖 Ordinary – Baht 250,000	49%**	物業投資 Property investment
洋紫荊油墨(中山)有限公司 Bauhinia Variegata Ink & Chemicals (Zhongshan) Ltd.	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 39,000,000港元 Capital Contribution – HK\$39,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
凌志潤滑油(廣州保稅區) 貿易有限公司 Best Lubricant Blending (Guangzhou Free Trade Zone) Trading Ltd.	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－200,000美元 Capital Contribution – US\$200,000	100%	買賣潤滑油 Trading in Lubricants
凌志潤滑油有限公司 Best Lubricant Blending Limited	香港 Hong Kong	普通股－2港元 Ordinary – HK\$2	100%	買賣潤滑油 Trading in Lubricants
大勇投資有限公司 Big Youth Investments Limited	香港 Hong Kong	普通股－10,000港元 Ordinary – HK\$10,000	100%	物業投資 Property investment

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital/ held by the Group	主要業務 Principal activities
協和化工倉儲有限公司 Concord Chemical Storing Limited	西薩摩亞 Western Samoa	普通股－1美元 Ordinary – US\$1	100%	投資國內貯存缸設施 Investment in storage facilities in Mainland China
協和化工倉儲有限公司 Concord Chemical Storing Limited	香港 Hong Kong	普通股－160,000港元 Ordinary – HK\$160,000	75%	投資控股 Investment holding
道名企業管理諮詢服務 (深圳)有限公司 Dao Ming Business Management Consultancy Service (Shenzhen) Co., Ltd.	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 1,000,000港元 Capital Contribution – HK\$1,000,000	100%	企業管理及諮詢服務 Corporate management and consultation services
東莞恒昌化工有限公司 Dongguan Hang Cheung Petrochemical Limited	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 10,000,000港元 Capital Contribution – HK\$10,000,000	100%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
東莞太平洋博高潤滑油 有限公司 Dongguan Pacoil Lubricant Co., Ltd	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 50,000,000港元 Capital Contribution – HK\$50,000,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
Full Power Investments Limited	英屬處女群島 British Virgin Islands	普通股－1美元 Ordinary – US\$1	100%	投資控股 Investment holding
金畔有限公司 Goldchain Limited	香港 Hong Kong	普通股－2港元 Ordinary – HK\$2	100%	物業投資 Property investment

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本/ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
萬潤有限公司 Great Success Limited	西薩摩亞 Western Samoa	普通股—1美元 Ordinary – US\$1	100%	投資控股 Investment holding
廣州藍俊國際貿易有限公司 Guangzhou Lan Jun International Trading Limited	中華人民共和國 — 獨資外資企業 People's Republic of China — wholly owned foreign enterprise	資本貢獻— 200,000美元 Capital Contribution – US\$200,000	60%	買賣潤滑油 Trading in Lubricants
謙信化工發展有限公司 Handsome Chemical Development Limited	香港 Hong Kong	普通股—600,000港元 Ordinary – HK\$600,000	100%	投資控股 Investment holding
謙信化工(澳門離岸商業服務) 有限公司 Handsome Chemical (Macao Commercial offshore) Ltd.	澳門 Macau	普通股—100,000葡幣 Ordinary – MOP\$100,000	100%	商業代辦及中介服務； 有限公司遙距售賣業務； 行政及支援服務 Commercial and services agents, overseas selling activities and back offices
謙信化工服務有限公司 Handsome Chemical Services Limited	香港 Hong Kong	普通股—10,000港元 Ordinary – HK\$10,000	100%	提供司庫服務 Provision of treasury services
恒昌塗料(惠陽)有限公司 Hang Cheung Coatings (Hui Yang) Limited	中華人民共和國 — 獨資外資企業 People's Republic of China — wholly owned foreign enterprise	資本貢獻— 13,900,000美元 Capital Contribution – US\$13,900,000	100%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
Hang Cheung Petrochemical (International) Limited	英屬處女群島 British Virgin Islands	普通股—1美元 Ordinary – US\$1	100%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital/ held by the Group	主要業務 Principal activities
恒昌石油化工有限公司 Hang Cheung Petrochemical Limited	香港 Hong Kong	普通股－800,000港元 Ordinary－HK\$800,000	100%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
恒昌採購及物流有限公司 Hang Cheung Procurement & Logistics Limited	香港 Hong Kong	普通股－2港元 Ordinary－HK\$2	100%	採購溶劑及塗料 Merchandising of Solvents and Coatings
Hang Cheung (W.S.) Limited	西薩摩亞 Western Samoa	普通股－1美元 Ordinary－US\$1	100%	投資控股 Investment holding
香港紫荊花製漆(大中華) 有限公司 Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited	香港 Hong Kong	普通股－149,665港元 遞延股－335港元 Ordinary－HK\$149,665 Deferred－HK\$335	100%*	投資控股 Investment holding
惠陽大昌工業有限公司 Hui Yang Da Chang Industrial Limited	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 22,000,000港元 Capital Contribution－ HK\$22,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
江門謙信化工發展有限公司 Jiangmen Handsome Chemical Development Ltd.	中華人民共和國 －合資合營企業 People's Republic of China － equity joint venture	資本貢獻－ 44,800,000港元 Capital Contribution－ HK\$44,800,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
江門恒華化工發展有限公司 Jiangmen Heng Wah Chemical Development Limited	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 6,000,000港元 Capital Contribution – HK\$6,000,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents
江門天誠溶劑製品有限公司 Jiangmen Thansome Solvents Production Ltd.	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 53,000,000港元 Capital Contribution – HK\$53,000,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents
太平洋石油有限公司 Pacific Oil & Chemical Company Limited	香港 Hong Kong	普通股－290,000港元 Ordinary – HK\$290,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
太平洋特種潤滑油有限公司 Pacific Special-Lube Limited	香港 Hong Kong	普通股－10,000港元 Ordinary – HK\$10,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
Primer Limited	西薩摩亞 Western Samoa	普通股－1美元 Ordinary – US\$1	100%	投資控股 Investment holding
Prophet Investments Limited	英屬處女群島 British Virgin Islands	普通股－1美元 Ordinary – US\$1	100%	投資控股 Investment holding
深圳凌志潤滑油有限公司 Shenzhen Best Lubricant Blending Limited	中華人民共和國 獨資內資企業 People's Republic of China － wholly owned domestic enterprise	資本貢獻－ 1,000,000人民幣 Capital Contribution – RMB\$1,000,000	100%	買賣潤滑油 Trading in Lubricants

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital/ held by the Group	主要業務 Principal activities
天津凌志潤滑油有限公司 Tianjin Best Lubricant Blending Co., Limited	中華人民共和國 － 獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 8,400,000港元 Capital Contribution – HK\$8,400,000	100%	製造及買賣潤滑油 Manufacture of and trading in Lubricants
TM Holding Limited	英屬處女群島 British Virgin Islands	普通股－1港元 Ordinary – HK\$1	100%	持有商標 Holding of trade-mark
葉氏恒昌(集團)有限公司 Yip's H.C. (Holding) Limited	香港 Hong Kong	普通股－200港元 遞延股－500港元 Ordinary – HK\$200 Deferred – HK\$500	100%*	投資控股及提供服務 Investment holding and provision of services
葉氏化工(上海)有限公司 Yip's Chemical (Shanghai) Co., Limited	中華人民共和國 － 獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 2,500,000美元 Capital Contribution – US\$2,500,000	93.5%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
Yip's Hang Cheung (Holdings) BVI Ltd.	英屬處女群島 British Virgin Islands	普通股－500港元 Ordinary – HK\$500	100%	投資控股 Investment holding
葉氏油墨有限公司 Yip's Ink and Chemicals Company Limited	香港 Hong Kong	普通股－200港元 Ordinary – HK\$200	100%	買賣塗料 Trading in Coatings
葉氏油墨(集團)有限公司 Yip's Ink & Chemicals (Group) Limited	香港 Hong Kong	普通股－2港元 Ordinary – HK\$2	100%	投資控股 Investment holding

38. 主要附屬公司 (續)

PRINCIPAL SUBSIDIARIES (CONTINUED)

公司名稱 Name of company	成立／註冊地點 Place of incorporation/ registration	已發行股本／ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有 應佔已發行股本／ 註冊股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
葉氏油墨(上海)有限公司 Yip's Ink & Chemicals (Shanghai) Company Limited	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 4,340,000美元 Capital Contribution – US\$4,340,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
葉氏油墨(中山)有限公司 Yip's Ink & Chemicals (Zhongshan) Company Limited	中華人民共和國 －獨資外資企業 People's Republic of China － wholly owned foreign enterprise	資本貢獻－ 26,000,000港元 Capital Contribution – HK\$26,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
Yip's Pacific Limited	英屬處女群島 British Virgin Islands	普通股－36,251,000港元 Ordinary – HK\$36,251,000	60%	投資控股 Investment holding

* 非由本集團持有之遞延股份無權收取股息或任何本公司股東大會之通告或出席任何本公司股東大會或在會上投票。在清盤時，倘普通股持有人(即本集團)已獲全數退還就該等股份支付之資本共100,000,000,000港元，則遞延股份持有人方有權從本公司剩餘資產中獲退還就無投票權遞延股份支付之資本。

** 由於本公司控制 Bauhinia Paints (Thailand) Manufacturing Limited 董事會之組成，此公司被視為本公司之附屬公司。

* The deferred shares, which are not held by the Group, carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the company. On a winding-up, the holders of the deferred shares are entitled out of the surplus assets of the company to a return of capital paid up on the non-voting deferred shares but only when holders of ordinary shares, namely, the Group, have received in full the return of capital paid on them and, in aggregate, a total sum of HK\$100,000,000,000.

** As the Company controls the composition of the board of directors of Bauhinia Paints (Thailand) Manufacturing Limited, this company is treated as a subsidiary of the Company.

38. 主要附屬公司 (續)

除 Yip's Hang Cheung (Holdings) BVI Ltd. 由本公司直接持有外，所有其它附屬公司均為間接持有。除在「主要業務」一節另加說明外，所有附屬公司主要營業地點均為其各自成立／註冊之地區。

上表所列本集團之附屬公司乃董事認為會影響本集團業績或資產負債之主要附屬公司。董事認為列載其他附屬公司之詳情將過於冗長累贅。

各附屬公司於二零零六年三月三十一日或年內任何時間概無任何借貸證券。

PRINCIPAL SUBSIDIARIES (CONTINUED)

Except for Yip's Hang Cheung (Holdings) BVI Ltd. which is held directly by the Company, all other subsidiaries are indirectly held. All subsidiaries operate principally in their respective places of incorporation/registration unless specified otherwise under the heading "Principal activities".

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets or liabilities 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 subsisting at 31st March, 2006 or at any time during the year.

39. 本公司的財務資料

FINANCIAL INFORMATION OF THE COMPANY

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
非流動資產	Non-current assets		
於附屬公司之 投資 (附註a)	Investment in subsidiaries (note a)	112,700	112,700
流動資產	Current assets		
其他應收賬款及 預付款項	Other debtors and prepayments	177	172
一間附屬公司 之欠款	Amount due from a subsidiary	395,523	367,854
銀行結餘	Bank balances	237	551
		<u>395,937</u>	<u>368,577</u>
流動負債	Current liabilities		
應計費用	Accrued charges	762	789
流動資產淨值	Net current assets	<u>395,175</u>	<u>367,788</u>
資產淨值	Net assets	<u>507,875</u>	<u>480,488</u>
股本及儲備	Capital and reserves		
股本 (附註29)	Share capital (note 29)	47,656	47,293
儲備 (附註b)	Reserves (note b)	460,219	433,195
股東資金	Shareholders' funds	<u>507,875</u>	<u>480,488</u>

39. 本公司的財務資料 (續)

FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
非上市股份, 按成本入賬	Unlisted shares, at cost	112,700	112,700

- (a) 非上市股份之賬面值乃根據Yip's Hang Cheung (Holdings) BVI Ltd. 及其附屬公司於一九九一年本公司透過集團重組成為最終控股公司當日之基本資產賬面淨值而計算。

本公司於二零零六年三月三十一日之附屬公司詳情載於財務報告附註38。

- (a) The carrying value of the unlisted shares is based on the book values of the underlying net assets of Yip's Hang Cheung (Holdings) BVI Ltd. and its subsidiaries at the date on which the Company became the ultimate holding company under the group reorganisation in 1991.

Detail of the Company's principal subsidiaries at 31st March, 2006 are set out in note 38.

39. 本公司的財務資料 (續)

FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

(b) 儲備

(b) Reserves

		股份溢價 Share premium 千港元 HK\$'000	特別儲備 Special reserve 千港元 HK\$'000	資本 回購儲備 Capital redemption reserve 千港元 HK\$'000	購股權 儲備 Share option reserve 千港元 HK\$'000	累計溢利 Retained profits 千港元 HK\$'000	合計 Total 千港元 HK\$'000
本公司	THE COMPANY						
於二零零四年 四月一日	At 1st April, 2004	221,519	77,700	5,038	-	91,213	395,470
因購股權獲行使 而發行股份之 溢價	Premium arising from shares issued upon exercise of share options	7,103	-	-	-	-	7,103
本年度純利	Profit for the year	-	-	-	-	79,817	79,817
已付股息	Dividends paid						
— 二零零四年度 期末股息	— final dividend for 2004	-	-	-	-	(28,016)	(28,016)
— 因行使購股權使 二零零四年度 期末股息增加	— additional final dividend for 2004 as a result of exercise of share options	-	-	-	-	(25)	(25)
— 二零零五年度 中期股息	— interim dividend for 2005	-	-	-	-	(21,154)	(21,154)
於二零零五年 三月三十一日 及二零零五年 四月一日	At 31st March, 2005 and 1st April, 2005	228,622	77,700	5,038	-	121,835	433,195
被認作以股份為基準 的付款支出	Recognition of equity settled share-based payment	-	-	-	1,258	-	1,258
因購股權獲行使 而發行股份之溢價	Share issued at premium upon exercise of share options	5,505	-	-	(110)	-	5,395
本年度純利	Profit for the year	-	-	-	-	79,741	79,741
已付股息	Dividends paid						
— 二零零五年度 期末股息	— final dividend for 2005	-	-	-	-	(35,470)	(35,470)
— 因行使購股權使 二零零五年度 期末股息增加	— additional final dividend for 2005 as a result of exercise of share options	-	-	-	-	(135)	(135)
— 二零零六年度 中期股息	— interim dividend for 2006	-	-	-	-	(23,765)	(23,765)
於二零零六年 三月三十一日	At 31st March, 2006	234,127	77,700	5,038	1,148	142,206	460,219

可予分派之特別儲備為 Yip's Hang Cheung (Holdings) BVI Ltd. 於本公司收購其股份當日之基本資產賬面淨值與本公司就收購事項發行股份之面值兩者之差額。

The special reserve of the Company, which is available for distribution, represents the difference between the book values of the underlying net assets of Yip's Hang Cheung (Holdings) BVI Ltd. at the date on which its shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.