

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

1. CORPORATION INFORMATION

Tonic Industries Holdings Limited is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

The principal activity of the Company is investment holding. The subsidiaries are engaged in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Group is Success Forever Limited, which is incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, derivative financial instruments and certain investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2006. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1. 公司資料

東力實業控股有限公司為一家於開曼群島註冊成立之有限公司。本公司之註冊辦事處位於P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司主要業務為投資控股。附屬公司從事設計、製造及買賣消費電子產品與零件及家庭電器產品。年內，本集團主要業務性質並無重大變動。

董事認為本集團的母公司及最終控股公司為於英屬處女群島註冊成立的Success Forever Limited。

2.1 編製基準

此等財務報表乃根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）（包括香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定，並按歷史成本方法編撰，惟樓宇、衍生金融工具及若干投資乃以公平值計算。財務報表以港元呈列，除另有註明者外，所有數值均四捨五入至千位數。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至二零零六年三月三十一日止年度的財務報表。附屬公司的業績自收購日期（即本集團獲取控制權之日）起綜合入賬，並繼續以綜合方式入賬直至失去有關控制權之日為止。集團內公司間的一切重大交易及結餘均於綜合賬目時對銷。

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2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised HKFRSs affect the Group and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

2.2 新訂及經修訂香港財務報告準則的影響

影響本集團且已於本年度的財務報表首次採納的新訂／經修訂香港財務報告準則如下：

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變更及誤差
香港會計準則第10號	資產負債表日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分類報告
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租約
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號（修訂）	金融資產及金融負債之過渡及首次確認
香港財務報告準則第2號	股權形式的付款
香港財務報告準則第3號	企業合併
香港會計師公會—詮釋4	租賃—釐定有關香港土地租賃的租賃期長度

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2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 24, 27, 33, 36, 37, 38, HKFRS 3, and HK-Int 4 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 1 has affected the presentation of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and other disclosures.

The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 17 – LEASES

In prior years, leasehold land and buildings held for own use were stated at valuation less accumulated depreciation and any impairment losses.

Upon the adoption of HKAS 17, the Group's leasehold interest in land and buildings is separated into leasehold land and buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from property, plant and equipment to prepaid land lease payments, while buildings continue to be classified as part of property, plant and equipment and are stated at valuation. Prepaid land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term.

The effects of the above changes are summarised in note 2.4 to the financial statements. The changes have been adopted retrospectively from the earliest period presented and comparative amounts have been restated.

2.2 新訂及經修訂香港財務報告準則的影響 (續)

採納香港會計準則第2、7、8、10、12、14、16、18、19、21、24、27、33、36、37、38號及香港財務報告準則第3號，以及香港會計師公會一詮釋4並未對本集團及本公司的會計政策以及本集團及本公司的財務報表計算方法構成重大影響。

香港會計準則第1號影響到綜合資產負債表、綜合收益表、綜合權益變動表以及其他披露資料的呈列。

採納其他香港財務報告準則的影響概述如下：

(a) 香港會計準則第17號 – 租賃

於過往年度，持作自用的租賃土地和樓宇按估值減累計折舊及任何減值虧損列賬。

採納香港會計準則第17號後，本集團於土地及樓宇的租賃權益分開為租賃土地及樓宇。由於土地的所有權並不預期會在租賃期屆滿時轉歸本集團所有，故本集團的租賃土地分類為營運租賃，並從物業、機器及設備重新分類為預付土地租賃款項，而樓宇繼續列為物業、機器及設備的一部份並按估值列賬。營運租賃下之預付土地租賃款項初時按成本列賬，其後在租賃期內以直線基準攤銷。

上述變動的影響概述於財務報表附註2.4。變動已自最早呈列期間開始追溯採用，而比較數字已經重列。

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2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)**(b) HKAS 32 AND HKAS 39 – FINANCIAL INSTRUMENTS****(i) EQUITY SECURITIES**

In prior years, the Group classified its investments in equity securities for trading purposes as other investments, which were stated at their fair values on an individual basis with gains or losses recognised in the income statement. Upon the adoption of HKAS 39, these securities held by the Group at 1 April 2005 in the amount of HK\$17,542,000 are designated as financial assets at fair value through profit or loss under the transitional provisions of HKAS 39 and accordingly are stated at fair value with gains or losses being recognised in the income statement.

In May 2005, the Group entered into an agreement with a trade customer to acquire a 19.05% equity interest in the shareholding of this trade customer for a consideration of HK\$23,759,000, which was satisfied by offsetting the balance receivable from this trade customer at 31 March 2005. As this equity investment is held for a long term purpose, it has been designated as an available-for-sale investment under HKAS 39.

As the fair value of this unlisted equity security cannot be measured reliably, it is stated at cost less any impairment losses.

The adoption of HKAS 39 has not resulted in any change in the measurement of these equity securities. Comparative amounts have been reclassified for presentation purposes.

2.2 新訂及經修訂香港財務報告準則的影響 (續)**(b) 香港會計準則第32號及香港會計準則第39號 – 金融工具****(i) 股本證券**

於過往年度，本集團將其用於交易目的的股本證券投資分類為其他投資，並以個別基準按其公平價值列賬，其中錄得的損益於收益表中確認。於採納香港會計準則第39號後，本集團於二零零五年四月一日持有為數17,542,000港元之該等證券，已根據香港會計準則第39號的過渡條文被劃定為按公平值計入損益之金融資產，並因此按公平值列賬，其損益於收益表中確認。

於二零零五年五月，本集團與一名貿易客戶訂立協議，以收購該貿易客戶股權中之19.05%股本權益，代價23,759,000港元已藉著與二零零五年三月三十一日應收該貿易客戶之餘款抵銷之方式支付。由於此項股本投資乃為長期目標持有，故已根據香港會計準則第39號劃定為可出售投資。

由於無法可靠計算該非上市股本證券的公平值，該證券已按成本減任何減值虧損列賬。

採納香港會計準則第39號並無導致該等股本證券的計算方法有任何變更。比較數額已經重新分類以供呈報。

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2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) HKAS 32 AND HKAS 39 – FINANCIAL INSTRUMENTS (CONTINUED)

(II) OTHER RECEIVABLE

In prior years, the Group's long term receivables were stated at cost. Upon the adoption of HKAS 39, such balances are measured at amortised cost using the effective interest method.

The effects of the above changes are summarised in note 2.4 to the financial statements.

(III) DERIVATIVE FINANCIAL INSTRUMENTS – FORWARD CURRENCY CONTRACTS

Forward currency contracts held to hedge risks associated with the foreign currency exposures arising from sales or purchases by the operating unit in currencies other than the unit's function currency are designated as cash flow hedges from 1 April 2005 and are recorded at fair value. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity, until the transaction which is being hedged is itself recognised in the financial statements. The ineffective portion of the hedge is recognised immediately in the income statement. Previously, unrealised gains or losses on the forward currency contracts were taken to the income statement and the discount or premium was either amortised over the period of the contracts or taken to the income statement. At the end of the period of each contract, gain or loss was added to, or deducted from, the amount of the relevant transaction.

The effects of the above changes are summarised in note 2.4 to the financial statements. In accordance with the transitional provisions of HKAS 39, comparative amounts have not been restated.

2.2 新訂及經修訂香港財務報告準則的影響 (續)

(b) 香港會計準則第32號及香港會計準則第39號 – 金融工具 (續)

(II) 其他應收款項

於過往年度，本集團的長期應收款項按成本值列賬。於採納香港會計準則第39號後，該等結餘使用實際利息法按攤銷成本計量。

上述變動的影響概述於財務報表附註2.4。

(III) 衍生金融工具 – 遠期貨幣合約

自二零零五年四月一日起，為對沖營運單位以記賬本位幣以外的貨幣進行銷售或採購而產生的外幣相關風險而持有的遠期貨幣合約，指定用作對沖現金流量，並按公平值列賬。釐定作有效對沖之對沖工具所產生收益或虧損部分直接於股本確認，直至有關對沖之交易於財務報表確認為止。對沖無效部分即時於收益表確認。過往，遠期貨幣合約的未變現收益或虧損撥入收益表，而有關折讓或溢價乃於合約期內攤銷，或撥入收益表內。當每張合約期限屆滿時，收益或虧損乃加入至或從有關交易數額中扣減。

上述變動的影響概述於財務報表附註2.4。根據香港會計準則第39號的過渡條文，並無重列比較金額。

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2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(CONTINUED)*

(c) HKFRS 2 – SHARE-BASED PAYMENT

In prior years, no recognition and measurement of share-based payment transactions in which employees (including directors) were granted share options over shares in the Company were required until such options were exercised by employees, at which time the share capital and share premium account were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments ("equity-settled transactions"), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted.

The main impact of HKFRS 2 on the Group is the recognition of the cost of these transactions and a corresponding entry to equity for employee share options. The revised accounting policy for share-based payment transactions is described in more detail in note 2.5 "Summary of significant accounting policies" below.

The Group has adopted the transitional provisions of HKFRS 2 under which the new measurement policies have not been applied to (i) share options granted to employees on or before 7 November 2002; and (ii) share options granted to employees after 7 November 2002 but which had vested before 1 April 2005.

As the Group did not have any employee share options which were granted during the period from 7 November 2002 to 31 March 2005 but had not yet vested as at 1 April 2005, the adoption of HKFRS 2 has had no impact on the retained profits as at 31 March 2004 and 2005.

2.2 新訂及經修訂香港財務報告準則的影響 *(續)*

(c) 香港財務報告準則第2號 – 股權形式的付款

於過往年度，就員工(包括董事)獲授予本公司股份之購股權之股權形式付款交易無需確認及計量，直至員工行使有關之購股權為止，屆時將在股本及股份溢價賬內計入所得款項之進賬。

採納香港財務報告準則第2號後，當員工(包括董事)提供服務作為取得股本文據之代價(「股份結算交易」)，該等與員工進行的股份結算交易乃參考授出文據當日的公允值計算。

香港財務報告準則第2號對本集團之影響，主要是確認該等交易成本以及對僱員購股權資本相應進行記賬。股權形式的付款交易的經修訂會計政策詳情載於下文附註2.5「主要會計政策概要」。

本集團已採納香港財務報告準則第2號的過渡條文，據此，新訂計量政策並不適用於(i)二零零二年十一月七日或以前向僱員授出之購股權；及(ii)二零零二年十一月七日以後向僱員授出，惟已於二零零五年四月一日以前歸屬之購股權。

由於本集團並無任何已於二零零二年十一月七日至二零零五年三月三十一日期間授出，惟截至二零零五年四月一日尚未歸屬的僱員購股權，因此，採納香港財務報告準則第2號並無對截至二零零四年三月三十一日及二零零五年三月三十一日的保留溢利產生任何影響。

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2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKAS 21 Amendment	Net Investment in a Foreign Operation
HKFRS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS 7	Financial Instruments: Disclosures

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

The HKAS 21 Amendment requires exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation to be recognised initially in a separate component of equity in the consolidated financial statements, irrespective of the currency of the monetary item and of whether the monetary item results from a transaction with the reporting entity or any of its subsidiaries.

HKFRS 7 requires disclosures relating to financial instruments and incorporates in certain of and has modified the disclosure requirements of HKAS 32. This HKFRS shall be applied for annual periods beginning on or after 1 January 2007.

2.3 已頒佈但未生效的香港財務報告準則的影響

本集團並未在財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港會計準則第1號 (修訂)	資本披露
香港會計準則第21號 (修訂)	於海外業務之投資淨額
香港會計準則第39號及香港財務報告準則第4號 (修訂)	財務擔保契據
香港財務報告準則第7號	金融工具：披露

香港會計準則第1號(修訂)將可應用於二零零七年一月一日或往後的年度。經修訂準則將對與本集團管理資金的目標、政策及過程有關的定性資料披露、對本集團而言為資金的定量數據及遵守任何資本規定及任何不遵守的後果造成影響。

香港會計準則第21號(修訂)要求，由貨幣項目產生並構成呈報實體於境外業務投資淨額一部份之匯兌差額，應在綜合財務報表內之獨立權益部份作初次確認，而不論貨幣項目以何種貨幣計值，亦不論貨幣項目是否來自呈報實體或其附屬公司進行之交易。

香港財務報告準則第7號規定對金融工具作相關披露，並已修訂香港會計準則第32號的披露規定。該項香港財務報告準則將於二零零七年一月一日或之後的年度應用。

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2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The adoption of the amendments to HKAS 39 regarding financial guarantee contracts is expected to result in the recognition of a financial liability in the Company's balance sheet in respect of corporate guarantees given by the Company in connection with banking facilities granted to its subsidiaries.

In accordance with the amendments to HKAS 39 regarding financial guarantee contracts, financial guarantee contracts are initially recognised at fair value and are subsequently measured at the higher of (i) the amount determined in accordance with HKAS 37 and (ii) the amount initially recognised, less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18.

Except as stated above, the Group expects that the adoption of the other pronouncements will not have any significant impact on the Group's financial statements in the period of initial application.

2.3 已頒佈但未生效的香港財務報告準則的影響 (續)

採納有關財務擔保合約之香港會計準則第39號之修訂，預期將導致本公司須要就本公司為授予其附屬公司之銀行授信提供之公司擔保，於該修訂首次應用之年度在資產負債表內確認一項金融負債。

根據香港會計準則第39號就財務擔保合約所作之修訂，財務擔保合約初時乃以公平值確認，其後以下列兩者(以較高者為準)：(i)根據香港會計準則第37號釐定之金額及(ii)首次確認之金額，減去(如適用)根據香港會計準則第18號所確認之累計攤銷計量。

除上述者外，本集團預期採納上列其他預佈準則對本集團於初次應用期間的財務報表將不會有任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

2.4 會計政策變動的影響概要

(a) EFFECT ON THE CONSOLIDATED BALANCE SHEET

(a) 對綜合資產負債表的影響

At 1 April 2005 於二零零五年四月一日	Effect of adopting 採納以下準則之影響			Total 總計
	HKAS 17# 香港會計準則 第17號# Prepaid land lease payments 預付土地 租賃款項 HK\$'000 港幣千元	HKAS 32# 香港會計準則 第32號# Change in classification of investments 投資 分類變動 HK\$'000 港幣千元	HKAS 39* 香港會計準則 第39號* Forward currency contracts 遠期 貨幣合約 HK\$'000 港幣千元	
Effect of new policies (Increase/(decrease)) 新政策之影響(增加/(減少))				
Assets	資產			
Property, plant and equipment	物業、機器及設備	(73,159)	-	(73,159)
Prepaid land lease payments	預付土地租賃款項	45,369	-	45,369
Available-for-sale investments	可供出售投資	-	963	963
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	-	(963)	(963)
Equity investments at fair value through profit or loss	按公平值計入損益之 股本投資	-	17,542	17,542
Other investments	其他投資	-	(17,542)	(17,542)
Derivative financial instruments	衍生金融工具	-	-	2,404
				(25,386)
Liabilities/equity	負債/權益			
Accounts payable	應付賬款	-	-	2,404
Deferred tax liabilities	遞延稅項負債	(4,623)	-	(4,623)
Asset revaluation reserve	資產重估儲備	(31,533)	-	(31,533)
Exchange fluctuation reserve	匯兌波動儲備	(673)	-	(673)
Retained profits	保留溢利	9,039	-	9,039
				(25,386)

Adjustments/presentation taken effect retrospectively

* Adjustments taken effect prospectively from 1 April 2005

追溯生效的調整/列報

* 於二零零五年四月一日後生效的調整

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.4 會計政策變動的影響概要
(續)

(a) EFFECT ON THE CONSOLIDATED BALANCE SHEET (CONTINUED)

(a) 對綜合資產負債表的影響
(續)

At 31 March 2006 於二零零六年三月三十一日	Effect of adopting 採納以下準則之影響					Total 總計
	HKAS 17 香港會計準則 第17號	HKAS 32 香港會計準則 第32號	HKASs 32 and 39 香港會計準則 第32及39號	HKAS 39 香港會計準則 第39號		
Effect of new policies (Increase/(decrease)) 新政策之影響(增加/(減少))	Prepaid land lease payments 預付土地 租賃款項 HK\$'000 港幣千元	Change in classification of investments 投資 分類變動 HK\$'000 港幣千元	Other receivable 其他 應收款項 HK\$'000 港幣千元	Forward currency contracts 遠期 貨幣合約 HK\$'000 港幣千元		
Assets 資產						
Property, plant and equipment	(71,939)	-	-	-	(71,939)	
Prepaid land lease payments	44,798	-	-	-	44,798	
Available-for-sale investments	-	25,329	-	-	25,329	
Non-current portion of other receivable	-	-	(1,326)	-	(1,326)	
Long term investment	-	(24,366)	-	-	(24,366)	
Prepayments, deposits and other receivables	-	(963)	-	-	(963)	
Equity investments at fair value through profit or loss	-	10,380	-	-	10,380	
Other investments	-	(10,380)	-	-	(10,380)	
					<u>(28,467)</u>	
Liabilities/equity 負債/權益						
Derivative financial instruments	-	-	-	1,496	1,496	
Account payable	-	-	-	(1,496)	(1,496)	
Deferred tax liabilities	(1,320)	-	-	-	(1,320)	
Asset revaluation reserve	(34,609)	-	-	-	(34,609)	
Exchange fluctuation reserve	(771)	-	-	-	(771)	
Retained profits	9,559	-	(1,326)	-	8,233	
					<u>(28,467)</u>	

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) EFFECT ON THE BALANCES OF EQUITY AT 1 APRIL 2004 AND AT 1 APRIL 2005 (CONTINUED)

2.4 會計政策變動的影響概要 (續)

(b) 對二零零四年四月一日及二零零五年四月一日權益結餘的影響 (續)

Effect of new policies (Increase/(decrease)) 新政策之影響 (增加 / (減少))		Effect of adopting HKAS 17 採納香港會計準則 第17號之影響 Prepaid land lease payments 預付土地租賃款項 HK\$'000 港幣千元
1 April 2004	二零零四年四月一日	
Asset revaluation reserve	資產重估儲備	(15,712)
Exchange fluctuation reserve	匯兌波動儲備	(673)
Retained profits	保留溢利	8,745
		<u>(7,640)</u>
1 April 2005	二零零五年四月一日	
Asset revaluation reserve	資產重估儲備	(31,533)
Exchange fluctuation reserve	匯兌波動儲備	(673)
Retained profits	保留溢利	9,039
		<u>(23,167)</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) EFFECT ON THE CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2006 AND 2005

2.4 會計政策變動的影響概要
(續)

(c) 對截至二零零六年及二零零五年三月三十一日止年度的綜合收益表的影響

		Effect of adopting 採納以下準則之影響		Total 總計
		HKAS 17 香港會計準則 第17號	HKAS 32 香港會計準則 第32號	
Effect of new policies 新政策的影響		Prepaid land lease payments 預付土地 租賃款項 HK\$'000 港幣千元	Other receivables 其他 應收款項 HK\$'000 港幣千元	HK\$'000 港幣千元
Year ended 31 March 2006	截至二零零六年 三月三十一日止年度			
Decrease in cost of sales	銷售成本減少	653	-	653
Decrease in administrative expenses	行政支出減少	94	-	94
Increase in finance costs	融資成本增加	-	(1,326)	(1,326)
Increase in tax	稅項增加	(227)	-	(227)
Total increase/(decrease) in profit for the year	年度溢利增加/ (減少)總額	520	(1,326)	(806)
Increase/(decrease) in basic earnings per share (HK cent)	每股基本盈利增加/ (減少)(港仙)	-	(0.1)	(0.1)
Year ended 31 March 2005	截至二零零五年 三月三十一日止年度			
Decrease in cost of sales	銷售成本減少	337	-	337
Decrease in administrative expenses	行政支出減少	163	-	163
Increase in tax	稅項增加	(206)	-	(206)
Total increase in profit for the year	年度溢利增加總額	294	-	294
Increase in basic earnings per share (HK cent)	每股基本盈利增加 (港仙)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUBSIDIARIES

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

GOODWILL

GOODWILL PREVIOUSLY ELIMINATED AGAINST THE CONSOLIDATED RESERVES

Prior to the adoption of SSAP 30 "Business Combinations" in 2001, goodwill arising on acquisition was eliminated against the consolidated reserve in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated reserves and is not recognised in profit or loss when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

IMPAIRMENT OF ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.5 主要會計政策概要

附屬公司

附屬公司為本公司可直接或間接控制其財務及營運政策以從其業務中取得利益的實體。

附屬公司業績按已收及應收股息計入本公司損益表。本公司於附屬公司的權益按成本減任何減值虧損入賬。

商譽

原先與綜合儲備沖銷之商譽

於二零零一年採納會計實務準則第30號「業務合併」前，收購產生之商譽乃於收購年度與綜合儲備對銷。採納香港財務報告準則第3號後，該等商譽繼續與綜合儲備對銷。且不會於與商譽有關之業務全部或部分出售時或於與商譽相關之現金產生單位出現減值時於損益內確認。

資產減值

倘有顯示出現減值，或當需要對資產（存貨及金融資產除外）每年作減值測試，則估計資產之可收回價值。資產之可收回價值按資產或現金產生單位之使用價值，以及其公平值減出售成本之較高者計算，並就各個別資產而釐訂，除非資產並未能在大致獨立於其他資產或組別資產之情況下賺取現金流入，則在此情況下，將釐訂資產所屬的現金產生單位之可收回金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF ASSETS (CONTINUED)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is a member of the key management personnel of the Group or its parent;
- (c) the party is a close member of the family of any individual referred to in (a) or (b); or

2.5 主要會計政策概要 (續)

資產減值 (續)

減值虧損只於資產之賬面值超過其可收回數額時確認。於估計使用價值時，估計未來現金流乃使用反映當時市場對貨幣時間價值以及與資產相關之特定風險之除稅前貼現率折算出其現值。減值虧損於其產生之期間在損益表中支銷，除非資產乃按估值列賬，則減值虧損乃根據該項重估資產之有關會計政策入賬。

於各呈報日期，將評估是否有任可跡象顯示先前確認之減值虧損不再存在或可能已減少。倘出現有關跡象，則估計可收回金額。先前確認的減值虧損僅在用以釐定資產可收回數額的估計數字出現變動時方會撥回。然而，有關數額將不會高於倘過往年度並無就該資產確認減值虧損而應釐定的賬面值（扣除任何折舊/攤銷）。撥回的減值虧損於其產生期間計入損益賬，除非有關資產按重估價值列賬，則撥回的減值虧損會按該重估資產的有關會計政策入賬。

關連人士

在下列情況下，一方將被視為與本集團有關：

- (a) 一方直接或間接透過一間或以上中介機構，(i) 控制本集團或被本集團控制或與本集團受共同控制；(ii) 於本集團擁有權益使其能對本集團行使重大影響力；或(iii) 對本集團擁有共同控制權；
- (b) 一方為本集團或其母公司之主要管理人員之成員；
- (c) 一方為由(a)或(b)項之任何人士之家族成員之近親；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RELATED PARTIES (CONTINUED)

- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or
- (e) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.5 主要會計政策概要 (續)

關連人士 (續)

- (d) 一方為由(b)或(c)項之任何人士直接或間接控制、共同控制或行使重大影響公司或擁有其重大投票權之公司；或
- (e) 一方為本集團就僱員福利之離職後福利計劃，或為本集團關連人士之任何公司。

物業、廠房及設備及折舊

在建工程以外之物業、廠房及設備乃按成本或估值減累計折舊及任何減值虧損入賬。物業、廠房及設備項目之成本包括其購買價及令該項資產達至運作狀況及地點作擬定用途的任何直接應佔成本。物業、廠房及設備項目投產後所產生的開支，例如維修及保養費用，一般於該等支出產生的期間計入損益表。倘能清楚證明該項支出使運用有關物業、廠房及設備項目預期將來可得經濟利益有所增加，而有關成本能可靠地計量時，則將該項支出撥作有關資產的額外成本或替代品。

所進行之估值之頻密程度應足以確保重估資產之公平價值不會與其賬面值有重大差異。物業、廠房及設備價值之變動乃作為資產重估儲備變動處理。倘若重估儲備總數不足以填補其虧絀，則多出之虧絀會於收益表內扣除。其後如有任何重估盈餘，會以先前扣除之虧絀為限，計入損益表。重新估值之資產如予出售，資產重估儲備中就先前估值所變現之有關部份會轉至保留盈利，作為儲備變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

Depreciation is calculated to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life at the following rates per annum:

Buildings	4% on the straight-line basis
Leasehold improvements	10% to 25% on the reducing balance basis
Furniture and fixtures	10% to 25% on the reducing balance basis
Equipment and tools	10% to 25% on the reducing balance basis
Motor vehicles	30% on the reducing balance basis
Moulds	25% on the straight-line basis

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents the cost of buildings under construction in Mainland China not yet ready for their intended use. Construction in progress is stated at cost less any impairment losses. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.5 主要會計政策概要 (續)

物業、廠房及設備及折舊 (續)

折舊乃按下列年率於其估計可使用年期撇銷各項物業、廠房及設備項目成本或估值至其餘值計算：

樓宇	以直線法按4%折舊
租約物業裝修	以遞減餘額法按10%至25%折舊
傢俬及裝置	以遞減餘額法按10%至25%折舊
設備及工具	以遞減餘額法按10%至25%折舊
汽車	以遞減餘額法按30%折舊
模具	以直線法按25%折舊

倘物業、廠房及設備項目之各部分有不同之可使用年期，此項目各部分成本將按合理之基礎分配，而每部分將作個別折舊。

餘值、可使用年期及折舊法乃於各結算日予以檢討，並作調整（如有需要）。

物業、廠房及設備項目於出售或當預期不會從其使用或出售獲取未來經濟利益時不再確認。物業、廠房及設備出售或報廢所產生之收益或損失按售出淨額減去該等資產賬面淨值後之差額確認於本年度收益表中。

在建工程指在中國內地仍未可作計劃用途的興建中樓宇之成本。在建工程按成本減任何減值虧損入賬，成本包括建築期內直接建築成本。在建工程會於竣工時及可供使用時重新分類至物業、廠房及設備項目之合適類別中。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

RESEARCH AND DEVELOPMENT COSTS

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred product development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

TRADEMARKS

Trademarks are stated at cost less accumulated amortisation and any impairment losses. They are amortised using the straight-line basis over their estimated useful lives but not exceeding ten years.

2.5 主要會計政策概要 (續)

無形資產

無形資產之可使用年期評估為有限或無限。年期有限之無形資產於可使用年期內攤銷，並評估是否有跡象顯示無形資產可能出現減值。可使用年期有限之無形資產之攤銷年期及攤銷方法至少於各結算日檢討一次。

研究及開發成本

所有研究成本於產生時計入損益表。

開發新產品的計劃所產生的支出，僅會於本集團顯示其有能力在技術上完成無形資產，使其能出售或使用；其對完成或銷售該資產之意向及能力；該資產產生未來經濟利益之方式；就完成該項目可動用之資源，以及能可靠地計量開發過程中所涉及之開支時，方撥作資本及作遞延處理。未能符合此等要求的產品開發支出將於產生時列為支出。

遞延產品開發成本按自產品商業投產之日起計不超過五年之商業可用期內以直線法攤銷。

商標

商標乃按成本減累計攤銷及任何減值虧損入賬，並按不超過十年的估計可使用年期以直線法攤銷。

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財務報表附註

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum contract payments and recorded together with the obligation, excluding the interest element, to reflect the costs of purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to produce a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.5 主要會計政策概要 (續)

租賃

除法定所有權外，凡資產擁有權之絕大部分回報及風險歸本集團擁有之租賃，均列為融資租賃。在訂立融資租賃時，租賃資產成本按最低合約款項的現值撥作資本，並連同有關承擔扣除利息部分入賬，以反映購買及融資成本。按資本化融資租賃持有的資產均列為物業、廠房及設備，並按資產的租賃年期及估計可使用年期兩者之較短者計算折舊。該等租賃的融資成本於損益表內扣除，以便可在租賃年內按固定周期扣減比率計算。

透過融資租購合約收購的資產入賬列作融資租賃，惟僅於其估計可使用年期折舊。

凡將資產擁有權絕大部分回報及風險撥歸出租人之租約均列作經營租約。倘本集團為出租人，則本集團根據經營租約租出之資產納入非流動資產，而根據經營租約應收之租金乃按租賃年期以直線法計入損益表。倘本集團為承租人，則根據經營租約應付之租金乃按租賃年期以直線法自損益表扣除。

根據經營租賃之預付土地租賃款項，初步以成本列賬，並隨後於租期內以直線法確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS

APPLICABLE TO THE YEAR ENDED 31 MARCH 2005:

The Group classified its equity investments, other than subsidiaries, as other investments.

Other investments

Other investments are investments in equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in fair values of such securities are credited or charged to the income statement in the period in which they arise.

APPLICABLE TO THE YEAR ENDED 31 MARCH 2006:

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income statement.

2.5 主要會計政策概要 (續)

投資及其他金融資產

適用於截至二零零五年三月三十一日止年度：

本集團將其於附屬公司以外之股本投資分類為其他投資。

其他投資

其他投資即是持作交易用途的股本證券的投資，其乃按個別投資基準以結算日所報市價代表的公平值列賬。因該等證券的公平值變動產生的損益記入產生期間的損益表或從其中扣除。

適用於截至二零零六年三月三十一日止年度：

香港會計準則第39號範圍下的金融資產，歸入按公平值記入損益賬之財務資產、貸款及應收款項及可供銷售之金融資產(如適用)。金融資產初步確認時以公平價值計算，另加(倘為透過損益而非以公平值列賬之投資)直接應佔交易成本。本集團於初步確認後，釐訂金融資產之分類，並在許可情況下，於結算日重新評估其有關分類。

所有定期購買或出售金融資產乃按交易日(即本集團承諾購買資產之日)基準確認。定期購買或出售乃購買或銷售金融資產，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。

按公平值記入損益賬之金融資產

歸類為持有作買賣之金融資產，計入「按公平值記入損益賬之金融資產」類別。倘購入金融資產乃旨在短期內出售，則分類為持有買賣。除非衍生工具定值為有效對沖工具，否則分類為持有買賣。持有買賣之投資的損益在收益表中確認。

NOTES TO THE FINANCIAL STATEMENTS

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

APPLICABLE TO THE YEAR ENDED 31 MARCH 2006: (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in unlisted equity securities that are designated as available for sale or are not classified in any of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

2.5 主要會計政策概要 (續)

投資及其他金融資產 (續)

適用於截至二零零六年三月三十一日止年度 (續)

貸款與應收款

貸款與應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等資產以利用實際利率法按攤銷成本入賬。當貸款與應收款不再確認或減損，則在收益表或在攤銷過程中確認。

可供出售金融資產

可供出售金融資產指為可供出售或並未分類為上述任何類別的非上市非衍生金融資產。初次確認可供出售金融資產以公平價值計量，而盈虧則另行確立為股本之一項獨立元素，直至投資不再確認或直至投資被釐訂為減值為止，屆時，之前在股本中呈報之累計盈虧，計入收益表。

倘非上市股本證券之公平價值，因(a)合理公平價值估計之範圍變動，對投資屬重大；或(b)範圍內多項估計之可能性，不能合理估計以及用於估計公平價值，令到不能合理估計公平價值，則該等證券以成本減任何減值虧損。

公平價值

在有組織金融市場活躍買賣的投資的公平價值，參考結算日辦公時間結束時所報市場購入價而釐訂。就為無活躍市場之投資，公平價值利用估值計算。有關技術包括按最近公平磋商之市場交易、參考大致相同之另一工具之當時市價、貼現現金流分析以及購股權定價模式等。

NOTES TO THE FINANCIAL STATEMENTS

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

ASSETS CARRIED AT AMORTISED COST

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.5 主要會計政策概要 (續)

金融資產減值(適用於截至二零零六年三月三十一日止年度)

本集團於各結算日評估有否任何客觀證據，金融資產或金融資產組別出現減值。

以攤銷成本列賬的資產

倘有客觀證據顯示，以攤銷成本列賬之貸款與應收款出現沽值，虧損乃按資產賬面值與利用金融資產原本實際利率(即於初步確認時計算之實際利率)與估計未來現金流之現值(不包括尚未產生的日後信貸損失)之差額計算。資產之賬面值直接或透過利用撥備賬而減少。減損之金額在損益賬中確認。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並個別或整體地評估金額不重大之個別金融資產。若本集團確定被評估之個別金融資產並沒有存在減值(不論是否重大)之客觀證據，則需將該資產包含於信貸風險特徵相若之組合中，以作出組合評估。組合減值評估並不包括已被個別評估為需減值或需繼續減值之資產。

倘於隨後期間，減值虧損之金額減少，而跌幅可客觀地與確認減值後發生之事件連繫，則撥回之前確認之減值虧損。任何隨後撥回之減值虧損，在收益表中確認，但資產之賬面值不得超過於撥回日之攤銷成本。

NOTES TO THE FINANCIAL STATEMENTS

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31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006) (CONTINUED)

ASSETS CARRIED AT COST

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss.

DERECOGNITION OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.5 主要會計政策概要 (續)

金融資產減值(適用於截至二零零六年三月三十一日止年度)(續)

按成本列賬的資產

倘有客觀證據顯示，非以公平價值列賬的非上市股本工具，乃因其公平價值不能可靠地衡量而出現減值虧損，減損之金額乃為資產賬面值與利用類似金融資產之當時市場回報率貼現估計未來現金流現值之差額。資產之減值虧損不予撥回。

可供出售金融資產

倘可供出售金融資產減值，一筆相等於其成本(扣除任何本金及攤銷)與其當時公平價值差額，減之前在損益中確認的任何減值虧損，乃由股本轉撥至收益表。分類為可供出售股本工具之減值虧損，不會在損益賬中撥回。

不再確認金融資產(適用於截至二零零六年三月三十一日止年度)

金融資產(或倘適用，作為金融資產或類似金融資產組別一部份)在下列情況不予確認：

- 從資產收取現金流之權利已屆滿；
- 本集團保留從資產收取現金流之權利，但已承擔根據「過手」安排而在沒有重大延誤下悉數將款項支付有關第三者之責任；
- 本集團已轉讓其從資產收取現金流之權利，並已(a)將資產的大致所有風險及回報轉讓，或(b)並無轉讓或保留資產的大致所有風險及回報，但已轉讓資產之控制權。

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31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERECOGNITION OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006) (CONTINUED)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

2.5 主要會計政策概要 (續)

不再確認金融資產(適用於截至二零零六年三月三十一日止年度) (續)

倘本集團已轉讓從資產收取現金流之權利，且無轉讓或保留資產的大致所有風險及回報亦無轉讓資產之控制權，資產乃按本集團於資產之持續參與而確認。持續參與倘屬就所轉讓資產提供擔保，則以資產之原賬面值以及本集團可能須償還之代價最高金額之較低者計量。

倘持續參與為就資產沽出及／或購入期權(包括現金結算期權或類似條文)，則本集團之持續參與指本集團可能購回之所轉讓金額，但倘有關資產的沽出認沽期權(包括現金結算期權或類似條文)以公平價值計算，則本集團之持續參與只限於所轉讓資產之公平價值及期權行使價。

計息貸款及借款

所有計息貸款及借款初步以所收取之代價公平價值減直接應佔交易成本計算。

初次確認後，計息貸款及借款隨後利用實際利息法以攤銷成本計算。

倘負債不再確認，則盈虧在損益淨額以及透過攤銷程序確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERECOGNITION OF FINANCIAL LIABILITIES (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.5 主要會計政策概要 (續)

不再確認金融負債 (適用於截至二零零六年三月三十一日止年度)

倘負債下之責任獲履行或註銷或屆滿，金融負債不再確認。

當現有金融負債被同一貸款人以明顯不同之條款提供之另一金融負債取代，或現有負債之條款大幅修訂，該等交換或修訂則被視為不再確認原負債而確認新負債，而相關之賬面金額之差額，在損益賬中確認。

衍生金融工具及對沖 (適用於截至二零零六年三月三十一日止年度)

本集團使用衍生金融工具對沖其外匯波動風險，例如遠期貨幣合約。該等衍生金融工具初步以訂立衍生工具之日以公平價值確認，並隨後以公平價值再計算。倘公平價值為正數，衍生工具以資產入賬，而公平價值倘為負數，則以負債入賬。

不符合以對沖會計法處理之衍生工具之公平價值變動所產生之盈虧，直接計入年內之損益淨額。

遠期貨幣合約之公平價值，參考類似到期概況之合約之即期遠期匯率計算。

存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本以加權平均基準計算，倘為在製品及製成品，則包括直接材料、直接勞工及適當部分的其他經常成本。可變現淨值乃根據估計售價減完成及出售所需的估計成本計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

INCOME TAX

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

2.5 主要會計政策概要 (續)

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及短期流通性高且可隨時兌換成變值風險極微的可知數額現金及於購入時起計三個月內到期的投資，減須按要求償還的銀行透支，為本集團現金管理的不可或缺部分。

資產負債表內之現金及銀行結存指手頭及銀行現金，包括無使用限制之定期存款及性質與現金類似的資產。

撥備

倘因過往事項而產生之現時責任（法律或推定），且將來極可能需有資源流出以應付有關責任時，則予以確認為撥備，惟責任所涉及之數額必須能可靠地估計。

倘貼現之影響屬重大時，所確認撥備之數額乃為預期就履行有關責任須支付之未來開支於結算日之現值。因時間流逝而導致所貼現之現值增加之數額，乃計入損益表之融資成本中。

所得稅

所得稅包括即期及遞延稅項。所得稅於損益表確認，或倘有關稅項與相同或不同期間直接於股本確認之項目相關，則於股本確認。

即期及過往期間之即期稅務資產及負債按預期從稅務機關收回或向稅務機關支付之款項計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX (CONTINUED)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.5 主要會計政策概要 (續)

所得稅 (續)

遞延稅項須按負債法，就資產及負債之稅基與用於財務申報之賬面值產生之所有暫時差額，於結算日作出撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟

- 產生自最初確認交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項負債則除外；及
- 與於附屬公司之投資相關之應課稅暫時差額，惟假若可控制暫時差額之撥回時間，並有可能在可預見未來不會撥回暫時差額則除外。

遞延稅項資產乃於有可能將應課稅溢利抵銷可扣減暫時差額與未運用稅項抵免及未運用稅項虧損結轉時，就所有可扣減暫時差額、未運用稅項抵免及未運用稅項虧損結轉確認，惟：

- 產生自最初確認非業務合併之交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項資產除外；及
- 與於附屬公司之投資相關之可扣減暫時差額，於暫時差額可能在可預見未來將會撥回及應課稅溢利將可抵銷暫時差額時，遞延稅項資產方予確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX (CONTINUED)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of handling fee services, when the services have been rendered;
- (c) rental income, on a time proportion basis over the lease terms;

2.5 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產賬面值於每個結算日審閱，並於可能並無足夠應課稅溢利抵銷所有或部分遞延稅項資產時減少。相反，先前尚未確認之遞延稅項資產會於每個結算日重新評估，並會於有足夠應課稅溢利抵銷所有或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按於結算日頒布或實質頒布之稅率(及稅法)計算，而有關稅率則為預期於變現資產或清償債務期間適用之稅率。

倘有合法可執行權利將當期稅項資產及當期稅項負債抵銷，且遞延稅項資產每同一應課稅公司及同一稅務機關有關，則遞延稅項資產可與遞延負債互相抵銷。

收益確認

收益將於本集團可能獲得有關經濟利益及有關收益能夠可靠計算時，按下列基準入賬：

- (a) 銷售貨品的收益於擁有權大部分風險及回報已轉歸買方，惟本集團不再參與通常與所售出貨品的擁有權或實際控制權有關的管理時入賬；
- (b) 提供手續費服務的收益於已提供服務時入賬；
- (c) 租金收入，於租賃年期按時間比例入賬；

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財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

BORROWING COSTS

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

EMPLOYEE BENEFITS

SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.5 主要會計政策概要 (續)

收益確認 (續)

- (d) 利息收入按累計基準利用實際利率法計算，所採用之利率為預期金融工具年內收取之估計未來現金流貼現至金融資產賬面淨值之利率；
- (e) 股息收入，於確定股東可獲取派息的權利時入賬。

借貸成本

借貸成本於產生之期間在收益表內確認為開支。

僱員福利

以股份為基礎之付款的交易

本公司設有一項購股權計劃，旨在給予為本集團業務成功作出貢獻之合資格參與者鼓勵及獎勵。本集團僱員(包括董事)按以股付款形式收取酬金，而僱員則提供服務作為股本工具之代價(「股本結算交易」)。

與僱員之股本結算交易之成本，參考購股權授出之日之公平價值計算。為股本結算交易估值時，不會計及任何表現條件，與本公司股份價格掛鈎之條件(「市場條件」)除外(如適用)。

股本結算交易之成本在表現及／或服務條件獲達成，至有關僱員全面獲得獎勵之日(「歸屬日期」)之期間，連同股本之相應升幅一併確認。就股本結算交易於各年結日至歸屬日期間確認之累計開支，反映過去歸屬期以及本集團就最終歸屬之股本工具之數目之最佳估計。期內在損益表扣除或計入損益表之金額，指於該段期初及期終所確認之累計開支變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS (CONTINUED)

SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested on 1 April 2005.

2.5 主要會計政策概要 (續)

僱員福利 (續)

以股份為基礎之付款的交易 (續)

最終未能歸屬之獎勵，不會確認開支，除非獎勵為根據市場條件而歸屬者，而在此情況下，該等獎勵不論市場條件是否獲達成，仍被視為歸屬，但必須符合所有其他表現條件。

倘股本結算交易之條款被修訂，則確認最低開支，猶如條款未被修改。此外，任何修訂將確認開支，增加股份付款安排之公平價值總額，或對以修訂日期計算有關公平價值之僱員有利。

倘股份結算獎勵被註銷，則被視為已於註銷日期被歸屬，而未就獎勵確認之開支則即時確認。然而，倘被註銷獎勵被新獎勵所取代，且於授出日期被指定為替代獎勵，則所註銷及新獎勵則會按猶如原獎勵作出修訂之方法(見前段所述)處理。

尚未行使購股權之攤薄影響，於計算每股盈利時，被反映為額外股份攤薄。

本集團已就股本結算獎勵採納香港財務申報準則第2號之過渡條文，並僅就於二零零二年十一月七日後授出且於二零零五年四月一日未歸屬之股本結算獎勵應用香港財務報告準則第2號。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**EMPLOYEE BENEFITS** (CONTINUED)**EMPLOYMENT ORDINANCE LONG SERVICE PAYMENTS**

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

PENSION SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.5 主要會計政策概要 (續)**僱員福利** (續)**僱傭條例長期服務金**

本集團若干僱員服務本集團之年期，已屆香港僱傭條例規定合資格於離職時獲取長期服務金之指定服務年期。倘僱員於符合香港僱傭條例指明情況下離職，本集團必須支付有關款項。

已就預期日後可能須支付之長期服務金作出撥備。撥備金額乃截至結算日僱員向本集團提供服務所賺取而本集團日後可能須支付之金額之最佳估計。

退休金計劃

本集團根據強制性公積金計劃條例，為合資格參與計劃之僱員設立一項定額供款強制性公積金退休福利計劃（「強積金計劃」）。按照強積金計劃之規則，供款乃按僱員基本薪金之百分比作出，並於應付時自損益表扣除。強積金計劃的資產由獨立管理之基金與本集團之資產分開持有。根據強積金計劃之條例，本集團對強積金計劃作出之僱主供款繳入計劃後即全數歸屬僱員惟本集團之僱主自願供款除外，倘僱員於供款全數歸屬前終止受聘，則該等款項將會退還予本集團。

本集團旗下於中國內地經營業務之附屬公司之僱員必須參與由當地市政府設立之中央退休金計劃。該等附屬公司須按其涉及工資總額若干百分比向中央退休金計劃作出供款。根據中央退休金計劃規則，供款於應付時自損益表扣除。

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財務報表附註

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DIVIDENDS

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

FOREIGN CURRENCIES

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.5 主要會計政策概要 (續)

股息

董事建議的末期股息列於資產負債表之資本及儲備下，獨立列作保留溢利分配，直至股息於股東大會獲股東批准為止。在此等股息獲股東批准及宣派後，即確認為負債。

中期股息可同時建議及宣派，原因為本公司的組織章程大綱及細則授予董事宣派中期股息的權力。因此，中期股息於建議及宣派時即時確認為負債。

外幣

外幣交易按交易日期適用的匯率換算入賬。於結算日以外幣為單位的貨幣資產及負債按當日的適用匯率換算入賬。匯兌差額於損益賬處理。於綜合賬目時，海外附屬公司之財務報表按淨投資法換算為港元。海外附屬公司之損益賬按年內加權平均匯率換算為港元，其資產負債表則按結算日之匯率換算為港元，所產生之換算差額於外匯波動儲備處理。就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司年內產生之經常現金流量按年內之加權平均匯率換算為港元。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES (CONTINUED)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.5 主要會計政策概要 (續)

外幣 (續)

財務報表乃以港元（即本公司之記賬本位幣及呈報貨幣）呈列。本集團內各公司釐訂本身之記賬本位幣，而計入各公司財務報表之項目乃利用該記賬本位幣而計量。外幣交易初步以交易日期之記賬本位幣匯率記錄。以外幣計值之貨幣資產及負債，按年結日之匯率再換算為記賬本位幣。所有差額計入損益表。以外幣歷史成本計算之非貨幣項目，利用初步交易之日之匯率換算。以外幣按公平價值計算之非貨幣項目，利用釐訂公平價值之日之匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司年內產生之經常性現金流量按年內之加權平均匯率換算為港元。

3. 重大會計判斷及估算

判斷

於應用本集團之會計政策時，除涉及估算之判斷外，管理層曾作出下列對於財務報表內確認之金額有重大影響之判斷：

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES*(CONTINUED)***JUDGEMENTS** *(CONTINUED)***IMPAIRMENT OF ASSETS**

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation at the balance sheet date which may cause an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

ESTIMATION OF FAIR VALUE OF BUILDINGS

In the absence of current prices in an active market for similar buildings, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for buildings of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (b) recent prices of similar buildings on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

3. 重大會計判斷及估算 *(續)***判斷** *(續)***資產減值**

本集團須於釐訂資產是否出現減值或過往導致減值之事件是否仍然存在時作出判斷，尤其為於評估下列事項時：(1)是否發生可影響資產價值之事件或該等影響資產價值之事件是否仍然存在；(2)資產淨值是否有未來現金流之現值淨額支持，有關金額乃以資產持續使用或終止確認之基準釐訂；及(3)於準備現金流預測時採用合適之主要假設，包括該等現金流是否以合適之貼現率折算。管理層釐訂減值水平所設定之假設(包括現金流預測所採用之貼現率或假定增長率)之變動，將會對減值測試中所採用之現值淨額構成重大影響。

估算之不確定性

可能會導致下一個財政年度內資產與負債之賬面值作出調整之未來主要假設及於結算日之其他估算主要來源論述如下。

樓宇公平價值之估算

由於活躍市場上並無類似樓宇之近期價格，本集團考慮了多項資料來源，包括：

- (a) 活躍市場內不同性質、狀況有別或處於不同地點(或訂有不同租約或其他合約)之樓宇之現行價格，並作出調整以反映該等差異；
- (b) 類似樓宇於交投淡靜市場之近期價格，並作出調整以反映自以該等價格進行交易當日以來之任何經濟變動；及

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

ESTIMATION UNCERTAINTY (CONTINUED)

ESTIMATION OF FAIR VALUE OF BUILDINGS

(CONTINUED)

- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market prices for similar buildings in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar properties in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs.

The carrying amounts of buildings at 31 March 2006 were HK\$243,492,000 (2005 (restated): HK\$242,506,000).

3. 重大會計判斷及估算 (續)

估算之不確定性 (續)

樓宇公平價值之估算 (續)

- (c) 根據可靠之未來現金流估算，並以任何現有租約或其他合約之條款，以及在可行之情況下以外部證據（如於相同地點及狀況相同之類似樓宇之現行市價）作支持，並採用反映現金流金額及時間之不確定因素之當前市場評估之貼現率作出之貼現現金流預測。

本集團估算公平價值時之主要假設包括處於相同地點及狀況相同之類似物業之現行市價、合適之貼現率、預期未來市價及未來維修成本。

於二零零六年三月三十一日，樓宇之賬面值為243,492,000港元（二零零五年（重列）：242,506,000港元）。

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4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products provided. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the electronic products and components segment consists of the design, manufacture and sale of audio and video products and components;
- (b) the home appliance products segment consists of the manufacture and sale of home appliance products; and
- (c) the corporate segment comprises corporate income and expense items.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

There were no intersegment sales and transfer during the year (2005: Nil).

4. 分部資料

本公司按兩種分類形式呈報分部資料：
(i)以業務分類為主要分部報告基準；及
(ii)以地區分類為次要分部報告基準。

本集團的經營業務根據業務性質及所提供的產品，獨立組織及管理。本集團各個業務類別代表一個策略性業務單位，所提供產品承受的風險及取得的回報與其他業務分部不同。業務分部之詳情概述如下：

- (a) 電子產品及零件分部包括設計、製造及銷售影音產品與零件；
- (b) 家庭電器產品分部包括製造及銷售家庭電器產品；
- (c) 公司分部包括公司收入及開支項目。

在釐定本集團的地區分部時，分部應佔收入及業績按客戶所在地計算，而分部應佔資產則按資產所在地計算。

年內並無分部間銷售及轉撥(二零零五年：無)。

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4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(a) BUSINESS SEGMENTS

(a) 按業務劃分

The following tables present revenue, profit and certain asset, liability and expenditure information of the Group's business segments for the years ended 31 March 2006 and 2005.

下表呈列本集團業務分部於截至二零零六年及二零零五年三月三十一日止年度的收入、溢利及若干資產、負債及開支的資料。

Group	本集團							
	Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
		(Restated) (重列)		(Restated) (重列)				(Restated) (重列)
Segment revenue:	分部收入：							
Sales to external customers	銷售予外界客戶							
Other segment revenue	其他分部收入							
Total	總計							
Segment results	分部業績							
Interest income and unallocated income	利息收入及未分配收入							
Unallocated expenses	未分配支出							
Finance costs	融資成本							
Profit before tax	除稅前溢利							
Tax	稅項							
Profit for the year	年度溢利							

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4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(a) BUSINESS SEGMENTS (CONTINUED)

(a) 按業務劃分 (續)

Group	本集團							
	Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Assets and Liabilities 資產及負債								
Segment assets 分部資產	1,280,620	1,091,361	113,948	102,955	-	-	1,394,568	1,193,316
Unallocated assets 未分配資產							126,085	144,292
Total assets 總資產							1,520,653	1,337,608
Segment liabilities 分部負債	458,008	291,956	61,427	42,428	7	171	519,442	334,555
Unallocated liabilities 未分配負債							493,145	506,332
Total liabilities 總負債							1,012,587	840,887
Other segment information: 其他分部資料：								
Capital expenditure 資本開支	99,365	154,667	15,520	11,198	-	-	114,885	165,865
Depreciation and amortisation 折舊及攤銷	64,779	63,533	10,063	13,021	-	-	74,842	76,554
Surplus on revaluation recognised directly in equity 直接於權益確認之重估盈餘	-	22,478	-	1,516	-	-	-	23,994
Impairment losses recognised in the income statement 直接於收益報表確認之減值虧損	-	-	-	-	11,110	-	11,110	-
Provision/(write-back of provision against) inventories 存貨撥備/(撥備撥回)	267	442	(135)	246	-	-	132	688

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4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(b) GEOGRAPHICAL SEGMENTS

(b) 按地區劃分

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2006 and 2005.

下表呈列本集團於截至二零零六年及二零零五年三月三十一日止年度的收入及若干資產及開支的資料。

Group		本集團									
		Americas		Europe		Asia-Pacific countries		Others		Consolidated	
		美洲		歐洲		亞太區國家		其他		綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分部收入：										
Sales to external customers	銷售予外界客戶	991,863	781,402	998,780	1,307,766	347,192	302,158	54,384	244,968	2,392,219	2,636,294
Other segment information:	其他分部資料：										
Segment assets	分部資產										
- Hong Kong	- 香港									486,632	450,186
- Mainland China	- 中國									1,034,021	887,422
Total	總計									1,520,653	1,337,608
Capital expenditure	資本開支										
- Hong Kong	- 香港									2,583	21,478
- Mainland China	- 中國									112,302	144,387
Total	總計									114,885	165,865

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5. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of discounts and returns, after elimination of all significant intra-group transactions.

An analysis of revenue, other income and gain is as follows:

5. 收益、其他收入及增益

收益亦為本集團之營業額，乃指對銷所有集團內公司間的重大交易後，扣除折扣及退貨的售出貨品發票值。

收益、其他收入及增益的分析如下：

		2006 二零零六年	2005 二零零五年
		<i>HK\$'000</i> 港幣千元	<i>HK\$'000</i> 港幣千元
Revenue	收益		
Manufacture and sale of electronic products and components	製造及銷售電子產品及零件	2,141,160	2,367,455
Manufacture and sale of home appliance products	製造及銷售家庭電器產品	251,059	268,839
		2,392,219	2,636,294
Other income	其他收入		
Handling fee income	手續費收入	1,737	8,014
Bank interest income	銀行利息收入	1,094	461
Others	其他	3,933	2,210
		6,764	10,685
Gain	增益		
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的增益	1,626	319
		8,390	11,004

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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

6. 除稅前溢利

本集團的除稅前溢利已扣除／(計入)下
列各項：

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Cost of inventories sold	已售存貨成本		2,268,188	2,529,856
Provision against inventories	存貨撥備		132	688
Fair value (gains)/losses on derivative financial instruments-forward currency contracts, net	衍生金融工具－貨幣 遠期合約公平值 (增益)／虧損淨額		1,496	(2,404)
Cost of sales	銷售成本		2,269,816	2,528,140
Depreciation	折舊	14	70,100	71,880
Amortisation of trademarks*	商標攤銷*	16	255	260
Research and development costs:	研究及開發成本：			
Deferred development costs amortised*	遞延發展成本攤銷*	16	4,455	4,414
Current year expenditure	本年度開支		1,280	498
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約 之最低租金		4,029	3,671
Auditors' remuneration	核數師酬金		905	787
Employee benefits expenses (including directors' remuneration – note 8):	員工福利開支 (包括董事酬金 －附註8)：			
Wages and salaries	工資及薪金		126,496	123,393
Pension scheme contributions	退休金計劃供款		2,344	2,256
Less: Forfeited contributions**	減：已沒收供款**		(39)	(48)
Net pension scheme contributions	退休金計劃供款淨額		2,305	2,208
			128,801	125,601
Foreign exchange differences, net	滙兌差額淨額		(61)	(3,030)
Fair value losses on equity investments at fair value through profit or loss	按公平值記入損益賬之 股本投資之公平值虧損		233	1,640
(Gain)/loss on disposal of an equity investment at fair value through profit or loss	出售按公平值記入損益賬 之股本投資之 (增益)／虧損		(356)	48
Gross and net rental income from land and buildings	土地及樓宇租金收入 毛額及淨額		(84)	(84)
Dividend income from listed investments	上市投資股息收入		(355)	(734)

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6. PROFIT BEFORE TAX (CONTINUED)

Notes:

* The amortisation of trademarks and deferred development costs for the year are included in "Selling and distribution costs" and "Cost of sales", respectively, on the face of the consolidated income statement.

** As at 31 March 2006, the Group had no forfeited contributions available to offset its future employers' contributions (2005: Nil).

6. 除稅前溢利 (續)

附註：

* 本年度的商標及遞延發展成本攤銷分別計入綜合收益表之「銷售及分銷成本」及「銷售成本」。

** 於二零零六年三月三十一日，本集團並無已沒收的供款(二零零五年：零)可供日後抵銷本集團的僱主供款。

7. FINANCE COSTS

7. 融資成本

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Interest on:	就下列項目支付之利息：		
Bank loans and facilities wholly repayable within five years	須於五年內全數償還的銀行貸款及信貸	21,547	12,432
Finance leases	融資租賃	1,602	318
		23,149	12,750

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

8. 董事酬金

本年度董事的酬金根據上市規則及公司條例第161條披露如下：

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Fees	袍金	655	378
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及 實物福利	11,196	11,106
Commission	佣金	1,694	787
Pension scheme contributions	退休金計劃供款	562	538
		13,452	12,431
		14,107	12,809

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

(A) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Ho Fook Hong, Ferdinand	何福康	88	65
Pang Hon Chung	彭漢中	91	65
Cheng Tsang Wai	鄭曾偉	88	33
		267	163

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

年內並無應付予獨立非執行董事之其他薪酬(二零零五年：無)。

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8. DIRECTORS' REMUNERATION

(CONTINUED)

(B) EXECUTIVE DIRECTORS AND A NON-EXECUTIVE DIRECTOR

8. 董事酬金 (續)

(B) 執行董事及非執行董事

		Salaries, allowances and benefits		Pension scheme contributions	Total remuneration	
	Fees	in kind	Commission			
	袍金	薪金、津貼 及實物福利	佣金	退休金 計劃供款	總薪金	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
2006						
Executive directors:	執行董事：					
Ling Siu Man, Simon	凌少文	–	3,888	–	194	4,082
Lee Ka Yue, Peter	李嘉渝	–	–	–	–	–
Wong Ki Cheung	黃其昌	–	1,944	–	97	2,041
Li Fung Ching, Catherine	李鳳貞	–	1,944	–	97	2,041
Au Wai Man	區偉民	–	1,620	–	81	1,701
Liu Hoi Keung, Gary	廖開強	–	1,620	–	81	1,701
Lam Kwai Wah	林桂華	300	180	1,694	12	2,186
		300	11,196	1,694	562	13,752
Non-executive director:	非執行董事：					
Wong Wai Kwong, David	黃偉光	88	–	–	–	88
		388	11,196	1,694	562	13,840

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財務報表附註

31 March 2006 二零零六年三月三十一日

8. DIRECTORS' REMUNERATION

(CONTINUED)

(B) EXECUTIVE DIRECTORS AND A NON-EXECUTIVE DIRECTOR

(CONTINUED)

8. 董事酬金 (續)

(B) 執行及非執行董事 (續)

		Salaries, allowances and benefits		Commission	Pension scheme	Total remuneration
		Fees	in kind		contributions	
		袍金	薪金、津貼及實物福利	佣金	退休金計劃供款	總酬金
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2005	二零零五年					
Executive directors:	執行董事：					
Ling Siu Man, Simon	凌少文	–	3,888	–	195	4,083
Lee Ka Yue, Peter	李嘉渝	–	–	–	–	–
Wong Ki Cheung	黃其昌	–	1,944	–	97	2,041
Li Fung Ching, Catherine	李鳳貞	–	1,944	–	97	2,041
Au Wai Man	區偉民	–	1,620	–	81	1,701
Liu Hoi Keung, Gary	廖開強	–	1,620	–	68	1,688
Lam Kwai Wah	林桂華	150	90	787	–	1,027
		<u>150</u>	<u>11,106</u>	<u>787</u>	<u>538</u>	<u>12,581</u>
Non-executive director:	非執行董事：					
Wong Wai Kwong, David	黃偉光	65	–	–	–	65
		<u>215</u>	<u>11,106</u>	<u>787</u>	<u>538</u>	<u>12,646</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內，各董事並無作出放棄或同意放棄任何酬金的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2005: five) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining one (2005: Nil) non-director, highest paid employee for the year are as follows:

9. 五位最高薪僱員

年內，五位最高薪僱員包括四位(二零零五年：五位)董事，有關彼等酬金詳情載於上文附註8。年內，餘下一名(二零零五年：無)最高薪非董事僱員之酬金詳情載列如下：

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財務報表附註

31 March 2006 二零零六年三月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

(CONTINUED)

9. 五位最高薪僱員 (續)

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,000	-
Pension scheme contributions	退休金供款	12	-
		<u>2,012</u>	<u>-</u>

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

薪酬介乎以下範圍之最高薪非董事僱員數目如下：

		Number of employees 僱員數目	
		2006 二零零六年	2005 二零零五年
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
		<u>1</u>	<u>-</u>

10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the Year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 稅項

香港利得稅撥備乃按本年度於香港賺取之估計應課稅溢利以稅率17.5%(二零零五年：17.5%)計算。其他地區之應課稅溢利稅項乃根據本集團經營業務所在國家之現行法例、詮釋及慣例按當地適用稅率計算。

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Group:	本集團：		
Current – Hong Kong	即期 – 香港		
Charge for the year	本年度支出	1,528	713
Overprovision in prior years	過往年度超額撥備	(751)	(1,235)
Current – Elsewhere	即期 – 其他地區		
Charge for the year	本年度支出	1,319	6
Deferred (note 29)	遞延 (附註29)	(2,197)	2,200
		<u>(101)</u>	<u>1,684</u>
Tax charge/(credit) for the year	本年度稅項支出/(稅收抵免)		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

10. TAX (CONTINUED)

A reconciliation of the tax charge/(credit) applicable to profit before tax using the statutory rates for the countries in which the Company, and its subsidiaries are domiciled to the tax charge/(credit) at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

Group

10. 稅項 (續)

適用於除稅前溢利採用本公司及其附屬公司所在國家之法定稅率計算之稅項支出／(稅收抵免)與按實際稅率計算之稅項支出／(稅收抵免)之對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

本集團

		2006 二零零六年		2005 二零零五年	
		HK\$'000 港幣千元	%	HK\$'000 港幣千元 (Restated) (重列)	%
Profit before tax	除稅前溢利	<u>18,509</u>		<u>29,538</u>	
Tax at the statutory tax rate	按法定稅率計算之稅項	3,239	17.5	5,169	17.5
Higher tax rate for other countries	其他國家之較高稅率	346	1.9	459	1.6
Profit not subject to tax, due to concession	因稅務優惠而毋須 課稅之溢利	(2,795)	(15.1)	(1,539)	(5.2)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項 作出調整	(751)	(4.1)	(1,235)	(4.2)
Income not subject to tax	毋須課稅收入	(1,728)	(9.3)	(3,802)	(12.9)
Expenses not deductible for tax	不可扣稅支出	4,986	26.9	1,968	6.7
Tax loss utilised from previous periods	以往期間已動用 之稅務虧損	(1,386)	(7.5)	(85)	(0.3)
Tax loss not recognised	未確認之稅項虧損	383	2.1	1,289	4.4
Deferred tax not recognised, due to concession	因稅務優惠而未確認 之遞延稅項	(2,794)	(15.1)	(643)	(2.2)
Others	其他	<u>399</u>	<u>2.2</u>	<u>103</u>	<u>0.3</u>
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算 之支出／(稅收抵免)	<u>(101)</u>	<u>(0.5)</u>	<u>1,684</u>	<u>5.7</u>

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11. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The net loss from ordinary activities attributable to equity holders of the Company for the year ended 31 March 2006 dealt with in the financial statements of the Company was HK\$11,092,000 (2005: net profit of HK\$39,770,000) (note 32(b)).

11. 公司股本持有人應佔日常業務溢利／(虧損)淨額

本公司於財務報表處理截至二零零六年三月三十一日止年度的公司股本持有人應佔日常業務虧損淨額為11,092,000港元(二零零五年：溢利淨額39,770,000港元)(附註32(b))。

12. DIVIDENDS

	2006 二零零六年	2005 二零零五年
	HK\$'000 港幣千元	HK\$'000 港幣千元
Proposed final – HK1 cent (2005: HK1 cent) per ordinary share	9,529	9,529
擬派末期股息－每股普通股 1港仙(二零零五年：1港仙)		

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. 股息

本年度擬派末期股息須待本公司股東在應屆股東週年大會批准後方可作實。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$18,610,000 (2005 (restated): HK\$27,854,000) and the 952,889,962 (2005: weighted average of 706,413,187) ordinary shares in issue during the year.

Diluted earnings per share for the year ended 31 March 2006 and 2005 has not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic earnings per share of these years.

13. 公司普通股本持有人應佔每股盈利

每股基本盈利乃按本年度公司普通股本持有人應佔溢利18,610,000港元(二零零五年(重列)：27,854,000港元)及本年度已發行普通股952,889,962股(二零零五年：加權平均股數706,413,187股)計算。

由於在截至二零零六年及二零零五年三月三十一日止年度尚未行使的購股權對有關年度的每股基本盈利具反攤薄作用，故並無披露該等年度之每股攤薄盈利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

本集團

Group

		Buildings	Construction in progress	Leasehold improvements 租賃 物業裝修	Furniture and fixtures 傢俬 及裝置	Equipment and tools 設備及工具	Motor vehicles 汽車	Moulds 模具	Total 總計
		樓宇 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	租賃 物業裝修 HK\$'000 港幣千元	傢俬 及裝置 HK\$'000 港幣千元	設備及工具 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	模具 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
31 March 2006	二零零六年 三月三十一日								
At 31 March 2005 and at 1 April 2005:	於二零零五年 三月三十一日及 二零零五年 四月一日：								
Cost or valuation	成本或估值	242,506	56,984	100,155	29,705	414,791	11,450	166,070	1,021,661
Accumulated depreciation	累計折舊	-	-	(39,922)	(22,329)	(201,136)	(9,045)	(120,578)	(393,010)
Net carrying amount	賬面淨值	<u>242,506</u>	<u>56,984</u>	<u>60,233</u>	<u>7,376</u>	<u>213,655</u>	<u>2,405</u>	<u>45,492</u>	<u>628,651</u>
At 1 April 2005, net of accumulated depreciation	於二零零五年 四月一日， 已扣除累計折舊	242,506	56,984	60,233	7,376	213,655	2,405	45,492	628,651
Additions	添置	7,893	31,099	3,174	1,994	16,099	-	16,387	76,646
Disposals	出售	-	-	(2)	(49)	(856)	(20)	(5,991)	(6,918)
Depreciation provided during the year	年內提撥之折舊	(9,991)	-	(8,890)	(1,872)	(29,270)	(625)	(19,452)	(70,100)
Exchange realignment	匯兌調整	3,084	1,109	204	13	413	2	16	4,841
At 31 March 2006, net of accumulated depreciation	於二零零六年 三月三十一日， 已扣除累計折舊	<u>243,492</u>	<u>89,192</u>	<u>54,719</u>	<u>7,462</u>	<u>200,041</u>	<u>1,762</u>	<u>36,452</u>	<u>633,120</u>
At 31 March 2006:	於二零零六年 三月三十一日：								
Cost or valuation	成本或估值	253,483	89,192	103,910	31,445	426,850	9,484	173,825	1,088,189
Accumulated depreciation	累計折舊	(9,991)	-	(49,191)	(23,983)	(226,809)	(7,722)	(137,373)	(455,069)
Net carrying amount	賬面淨值	<u>243,492</u>	<u>89,192</u>	<u>54,719</u>	<u>7,462</u>	<u>200,041</u>	<u>1,762</u>	<u>36,452</u>	<u>633,120</u>
Analysis of cost or valuation:	成本或估值分析：								
At cost	按成本值	7,893	89,192	103,910	31,445	426,850	9,484	173,825	842,599
At 31 March 2005 valuation	於二零零五年 三月三十一日 之估值	245,590	-	-	-	-	-	-	245,590
		<u>253,483</u>	<u>89,192</u>	<u>103,910</u>	<u>31,445</u>	<u>426,850</u>	<u>9,484</u>	<u>173,825</u>	<u>1,088,189</u>

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14. 物業、廠房及設備 (續)

Group		本集團							
		Construction Buildings	in progress	Leasehold improve-ments	Furniture and fixtures	Equipment and tools	Motor vehicles	Moulds	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		樓宇	在建工程	租賃物業裝修	傢俬及裝置	設備及工具	汽車	模具	總計
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2005	於二零零五年三月三十一日								
At 1 April 2004:	於二零零四年四月一日:								
Cost or valuation	成本或估值	187,978	72,696	56,903	27,523	322,241	12,853	147,974	828,168
Accumulated depreciation	累計折舊	(6,669)	-	(31,870)	(20,585)	(174,485)	(10,012)	(95,409)	(339,030)
Net carrying amount	賬面淨值	<u>181,309</u>	<u>72,696</u>	<u>25,033</u>	<u>6,938</u>	<u>147,756</u>	<u>2,841</u>	<u>52,565</u>	<u>489,138</u>
At 1 April 2004, net of accumulated depreciation	於二零零四年四月一日，已扣除累計折舊	181,309	72,696	25,033	6,938	147,756	2,841	52,565	489,138
Additions	添置	21,106	13,476	40,722	2,169	93,672	718	18,306	190,169
Disposals	出售	-	-	(211)	(164)	(1,815)	(511)	(79)	(2,780)
Surplus on revaluation	重估盈餘	23,994	-	-	-	-	-	-	23,994
Depreciation provided during the year	年內提撥之折舊	(7,244)	-	(8,275)	(1,932)	(28,194)	(935)	(25,300)	(71,880)
Transfers	轉撥	23,341	(29,188)	2,959	362	2,234	292	-	-
Exchange realignment	匯兌調整	-	-	5	3	2	-	-	10
At 31 March 2005, net of accumulated depreciation	於二零零五年三月三十一日，已扣除累計折舊	<u>242,506</u>	<u>56,984</u>	<u>60,233</u>	<u>7,376</u>	<u>213,655</u>	<u>2,405</u>	<u>45,492</u>	<u>628,651</u>
At 31 March 2005:	於二零零五年三月三十一日								
Cost or valuation:	成本或估值	242,506	56,984	100,155	29,705	414,791	11,450	166,070	1,021,661
Accumulated depreciation	累計折舊	-	-	(39,922)	(22,329)	(201,136)	(9,045)	(120,578)	(393,010)
Net carrying amount	賬面淨值	<u>242,506</u>	<u>56,984</u>	<u>60,233</u>	<u>7,376</u>	<u>213,655</u>	<u>2,405</u>	<u>45,492</u>	<u>628,651</u>
Analysis of cost or valuation:	成本或估值分析:								
At cost	按成本值	-	56,984	100,155	29,705	414,791	11,450	166,070	779,155
At 31 March 2005 valuation	於二零零五年三月三十一日之估值	242,506	-	-	-	-	-	-	242,506
		<u>242,506</u>	<u>56,984</u>	<u>100,155</u>	<u>29,705</u>	<u>414,791</u>	<u>11,450</u>	<u>166,070</u>	<u>1,021,661</u>

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31 March 2006 二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's buildings were held under the following lease terms:

At valuation: 按估值：
 Held under long term leases 按長期租約持有
 Held under medium term leases 按中期租約持有

The Group's buildings, other than the current year's additions, were revalued at 31 March 2005 by Sallmanns (Far East) Limited, an independent firm of professional valuers, on an open market, existing use basis at HK\$242,506,000. No professional valuation of such buildings was made as at 31 March 2006 because the directors are of the opinion that the carrying amounts of such buildings at 31 March 2006 are not significantly different from the carrying amounts at 31 March 2005 and that a further professional valuation would involve expense out of proportion to the values to the shareholders of the Company.

No professional valuation of the current year's additions of buildings was made as at 31 March 2006 because the directors are of the opinion that the carrying amounts of such buildings as 31 March 2006 are not significantly different from the carrying amounts as 31 March 2006.

Had the whole class of the Group's buildings been carried at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$172,464,000 (2005 (restated): HK\$171,291,000).

Included in the total amount of equipment and tools at 31 March 2006 are assets held under finance leases with a net book value of HK\$34,635,000 (2005: HK\$47,152,000).

14. 物業、廠房及設備 (續)

本集團樓宇及按以下租約持有：

	Hong Kong 香港	Mainland China 中國	Total 總計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At valuation: 按估值：			
Held under long term leases 按長期租約持有	259	—	259
Held under medium term leases 按中期租約持有	9,082	234,151	243,233
	<u>9,341</u>	<u>234,151</u>	<u>243,492</u>

除本年內添置者外，本集團的樓宇均由獨立專業估值師西門(遠東)有限公司於二零零五年三月三十一日按其於公開市場的現有用途估值為242,506,000港元。於二零零六年三月三十一日並無對該等樓宇進行專業估值，此乃由於董事認為，於二零零六年三月三十一日，該等樓宇之賬面值與二零零五年三月三十一日之賬面值並無重大差異，而且進一步專業估值所涉及之開支對本公司股東之價值並不相稱。

本年內添置之樓宇並無於二零零六年三月三十一日進行專業估值，此乃由於董事認為，該等樓宇於二零零六年三月三十一日之賬面值與於二零零六年三月三十一日之賬面值並無重大差異。

倘本集團全部類別樓宇按成本減累計折舊入賬，則該等資產應按約172,464,000港元(二零零五年(重列)：171,291,000港元)計入財務報表。

於二零零六年三月三十一日的設備及工具總額包括賬面淨值為34,635,000港元(二零零五年：47,152,000港元)的融資租賃資產。

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財務報表附註

31 March 2006 二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

As detailed in note 33(ii), deposits for the acquisition of items of property, plant and equipment of HK\$1,715,000 (2005: HK\$33,140,000) were utilised as part of the considerations paid for the purchases of items of property, plant and equipment.

14. 物業、廠房及設備 (續)

如附註33(ii)所詳述，關於收購物業、廠房及設備項目的訂金1,715,000港元(二零零五年：33,140,000港元)已用作支付購買該等物業、廠房及設備項目的部分代價。

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		<i>HK\$'000</i> 港幣千元	<i>HK\$'000</i> 港幣千元 (Restated) (重列)
Carrying amount 1 April	於四月一日之賬面值		
As previously reported	如之前申報	-	-
Effect of adopting HKAS 17 <i>(note 2.4(a))</i>	採納香港會計準則 第17號之影響 (附註2.4(a))	45,369	29,873
As restated	重列	45,369	29,873
Additions	添置	-	16,234
Recognised during the year	年內確認	(761)	(738)
Exchange realignment	匯兌調整	190	-
Current amount at 31 March	三月三十一日即期數額	44,798	45,369
Current portion	即期部份	(9,521)	(9,424)
Non-current portion	非即期部份	35,277	35,945

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31 March 2006 二零零六年三月三十一日

15. PREPAID LAND LEASE PAYMENTS

(CONTINUED)

The Group's leasehold lands were held under the following lease terms:

15. 預付土地租賃款項 (續)

本集團之租賃土地乃按以下租約持有：

		Hong Kong	Mainland	Total
		香港	中國	總計
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元	港幣千元
Held under long term leases	按長期租約持有	2,089	-	2,089
Held under medium term leases	按中期租約持有	15,999	26,710	42,709
		<u>18,088</u>	<u>26,710</u>	<u>44,798</u>

At 31 March 2006, the Group is applying for land use right certificates in respect of certain of the Group's leasehold land in Mainland China. These lands had an aggregate net book value of approximately HK\$15,716,000 (2005: HK\$18,085,000).

於二零零六年三月三十一日，本集團正就若干於中國之租賃土地申請土地使用權證。該等土地之賬面淨值合共約為15,716,000港元（二零零五年：18,085,000港元）。

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財務報表附註

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16. INTANGIBLE ASSETS

16. 無形資產

Group		本集團			Total
		Software development costs 軟件發展成本 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	Deferred development cost 遞延發展成本 HK\$'000 港幣千元	
31 March 2006	二零零六年三月三十一日				
Cost at 1 April 2005, net of accumulated amortisation	二零零五年四月一日之成本，已扣除累計攤銷	–	1,254	12,216	13,470
Additions	添置	316	117	8,072	8,505
Amortisation provided during the year	年內攤銷撥備	(32)	(255)	(4,455)	(4,742)
At 31 March 2006	二零零六年三月三十一日	<u>284</u>	<u>1,116</u>	<u>15,833</u>	<u>17,233</u>
At 31 March 2006	二零零六年三月三十一日				
Cost	成本	316	2,625	31,995	34,936
Accumulated amortisation	累計攤銷	(32)	(1,509)	(16,162)	(17,703)
Net carrying amount	賬面淨值	<u>284</u>	<u>1,116</u>	<u>15,833</u>	<u>17,233</u>
31 March 2005	二零零五年三月三十一日				
Cost at 1 April 2004, net of accumulated amortisation	二零零四年四月一日之成本，已扣除累計攤銷	–	1,608	8,656	10,264
Additions	添置	–	34	7,974	8,008
Disposals	出售	–	(128)	–	(128)
Amortisation provided during the year	年內攤銷撥備	–	(260)	(4,414)	(4,674)
At 31 March 2005	二零零五年三月三十一日	<u>–</u>	<u>1,254</u>	<u>12,216</u>	<u>13,470</u>
At 31 March 2005	二零零五年三月三十一日				
Cost	成本	–	2,508	23,923	26,431
Accumulated amortisation	累計攤銷	–	(1,254)	(11,707)	(12,961)
Net carrying amount	賬面淨值	<u>–</u>	<u>1,254</u>	<u>12,216</u>	<u>13,470</u>

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17. GOODWILL

As detailed in note 2.5 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against the consolidated reserves.

The amount of the goodwill remaining eliminated against the consolidated retained profits, arising from the acquisition of a subsidiary prior to 1 April 2001, was HK\$2,000 as at 31 March 2006 (2005: HK\$2,000).

17. 商譽

誠如財務報表附註2.5所詳述，本集團應用香港財務報告準則第3號的過渡性條文，容許於二零零一年前的業務合併所產生的商譽繼續與綜合儲備對銷。

於二零零六年三月三十一日，於二零零一年四月一日之前因收購一間附屬公司所產生並繼續與綜合保留溢利對銷的商譽數額為2,000港元(二零零五年：2,000港元)。

18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司權益

		The Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份的成本值	58,812	58,812
Due from subsidiaries	附屬公司欠款	162,256	196,297
		221,068	255,109

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due from subsidiaries approximate to their fair values.

附屬公司欠款結餘乃無抵押、免息，且無固定還款期。附屬公司欠款之賬面值與其公平值相若。

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31 March 2006 二零零六年三月三十一日

18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

Particulars of the subsidiaries are as follows:

18. 於附屬公司權益 (續)

附屬公司詳情如下：

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Agility Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股
Dongguan Gold Beam Electronics Co., Ltd.* 東莞金萊電子 有限公司*	Mainland China 中國	HK\$22,220,000 22,220,000港元	–	100	Manufacture of electronic components and home appliance products 製造電子零件及家庭 電器產品
Dongguan Tonic Electronics Co., Ltd.* 東莞東力電子 有限公司*	Mainland China 中國	HK\$63,543,484 63,543,484港元	–	100	Manufacture of electronic products 製造電子產品
Gold Beam Developments Limited 金萊發展有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Trading and manufacture of components 買賣及製造零件
Tonic Appliances Limited 東力家用電器有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Trading of home appliance products 買賣家庭電器產品
Tonic Electronics (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$1 1港元	100	–	Investment holding 投資控股

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18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

18. 於附屬公司權益 (續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic Electronics Limited 東力電子有限公司	Hong Kong 香港	Ordinary HK\$200 Non-voting deferred## HK\$300,000 普通股200港元 無投票權 遞延股份## 300,000港元	-	100	Trading and manufacture of electronic products 買賣及製造電子產品
Tonic Digital Products Limited* 東力數碼產品 有限公司*	Hong Kong 香港	HK\$100 100港元	-	100	Trading of digital products 買賣數碼產品
Tonic Enterprises Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Holding of patents 持有商標
Tonic International Limited	British Virgin Islands/ Mainland China 英屬處女群島/ 中國	HK\$0.01 0.01港元	-	100	Provision of quality control services 提供品質控制服務
Tonic Investment (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$0.01 0.01港元	-	100	Investment holding 投資控股
Tonic Marketing Limited	British Virgin Islands 英屬處女群島	US\$0.01 0.01美元	-	100	Investment holding 投資控股
Panatone Licensing Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Holding of patents 持有商標

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18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

18. 於附屬公司權益 (續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic DVB Marketing Limited (Formerly Tonic Plastic Limited) (前稱「Tonic Plastic Limited」)	British Virgin Islands/ Mainland China 英屬處女群島/ 中國	US\$0.01 0.01美元	–	100	Trading of electronic products 買賣電子產品
Tonic Trading Development Limited 東力商貿發展有限公司	Hong Kong 香港	HK\$100 100港元	–	100	Trading of electronic products and components 買賣電子產品及零件
Tonic Technology Limited 東力科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	–	Investment holding, manufacture and trading of electronic products and components 投資控股，製造及買賣 電子產品及零件
Panatone Licensing Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Holding of patents 持有商標
Tonic Technology (Shenzhen) Ltd [#] 東力科技(深圳)有限 公司 [#]	Mainland China 中國	RMB15,400,000 15,400,000人民幣	–	100	Research and development and trading of electronics products 研究、開發及買賣 電子產品

NOTES TO THE FINANCIAL STATEMENTS

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31 March 2006 二零零六年三月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

	Group 本集團		Company 本公司	
	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted equity investment, at cost	24,366	–	24,366	–
Less: Provision for impairment	(11,110)	–	(11,110)	–
	13,256	–	13,256	–
Club debentures, at fair value	963	963	–	–
	14,219	963	13,256	–

The above investments were designated as available-for-sale financial assets on 1 April 2005 and have no fixed maturity date or coupon rate.

The unlisted available-for-sale equity investment, whose fair value cannot be measured reliably, has been stated at cost less impairment losses.

上述投資於二零零五年四月一被列為可供出售金融資產及並無固定到期日或票面利率。

非上市可供出售股本投資之公平值未能可靠地計量，乃以成本值減減值虧損列賬。

20. OTHER RECEIVABLE

20. 其他應收款項

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Other receivable	其他應收款項	6,264	23,759
Portion classified as current asset	歸類為流動資產之部份	(558)	–
Non-current portion	非即期部份	5,706	23,759

The balance at 31 March 2006 represents the proceeds receivable from the disposal of items of property, plant and equipment (note 33(iii)) and is carried at amortised cost (2005: Nil).

於二零零六年三月三十一日之結餘代表出售物業、廠房及設備項目(附註33(iii))之應收所得款項，並按攤銷成本列賬(二零零五年：無)。

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21. LOANS RECEIVABLE

The loans receivable represents unsecured and interest-free advances to a staff member of the Group and its carrying amount approximates to its fair value.

The terms of the loans receivable are analysed as follows:

21. 應收貸款

應收貸款指授予本集團員工的無抵押免息貸款，而其賬面值與公平值相若。

應收貸款的還款期分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		<i>HK\$'000</i> 港幣千元	<i>HK\$'000</i> 港幣千元
Repayable within one year	一年內償還	188	188
Repayable by equal monthly instalments over three years (2005: Four years)	三年(二零零五年：四年)內 每月定額償還	281	469
		469	657
Portion classified as current asset	列作流動資產部分	(188)	(188)
Non-current portion	非即期部分	281	469

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22. INVENTORIES

22. 存貨

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Raw materials	原料	158,583	97,099
Work in progress	在製品	134,587	100,441
Finished goods	製成品	61,107	59,670
		354,277	257,210

23. ACCOUNTS AND BILLS RECEIVABLE

23. 應收賬款及票據

The Group's trading term with its customers is mainly on credit. The credit period granted by the Group to customers generally ranges from 7 days to 35 days, extending up to 120 days for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts and bills receivable relate to a large number of diversified customers, there is no significant concentration of credit risk.

本集團給予客戶的一般信貸期介乎七至三十五日，主要客戶的信貸期則最多為120日。本集團力求對其未收回應收款項維持嚴謹控制，以減低信貸風險。逾期未償還款項由高級管理層定期審閱。鑒於前述措施及本集團之應收賬款及票據涉及大批不同顧客，所以並無重大信貸集中之風險。

An aged analysis of the Group's accounts and bills receivable as at the balance sheet date, based on invoice date, is as follows:

本集團於結算日按發單日期計算的應收賬款及票據賬齡分析如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
		Percentage 百分比	Percentage 百分比
0 to 30 days	零至三十日	140,346	136,923
31 to 60 days	三十一至六十日	36,343	16,944
61 to 90 days	六十一至九十日	23,814	41,054
Over 90 days	超過九十日	76,924	32,900
		277,427	227,821
		100	100

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31 March 2006 二零零六年三月三十一日

23. ACCOUNTS AND BILLS RECEIVABLE (CONTINUED)

The Group's accounts and bills receivable are non-interest-bearing and their carrying amounts approximate to their fair values.

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER INVESTMENTS

Listed equity investments in Hong Kong, at market value

The above equity investments were classified as held for trading at 31 March 2006.

In 2005, the Company changed its intention in holding the investments from long term to short term purpose, resulting in a net gain in transferring the long term investments into other investments of HK\$20,290,000.

23. 應收賬款及票據 (續)

本集團之應收賬款及票據為免息及其賬面值與其公平值相若。

24. 按公平值記入損益賬之股本投資／其他投資

上述股本投資於二零零六年三月三十一日被歸類為持作買賣。

於二零零五年，本公司改變對其所持有之投資之意向，由長期改為短期，長期投資轉為其他投資產生收益淨額20,290,000港元。

Group
本集團

	2006 二零零六年	2005 二零零五年
	HK\$'000 港幣千元	HK\$'000 港幣千元
Listed equity investments in Hong Kong, at market value	<u>10,380</u>	<u>17,542</u>

NOTES TO THE FINANCIAL STATEMENTS

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31 March 2006 二零零六年三月三十一日

25. ACCOUNTS PAYABLE

An aged analysis of the Group's accounts payable as at the balance sheet date, based on invoice date, is as follows:

Group

		2006		2005	
		二零零六年		二零零五年	
		HK\$'000	Percentage	HK\$'000	Percentage
		港幣千元	百分比	港幣千元	百分比
0 to 30 days	零至三十日	164,073	37	96,630	36
31 to 60 days	三十一至六十日	117,403	26	42,747	16
61 to 90 days	六十一至九十日	42,881	10	42,791	16
Over 90 days	超過九十日	117,530	27	87,804	32
		<u>441,887</u>	<u>100</u>	<u>269,972</u>	<u>100</u>

The accounts payable are non-interest-bearing and are normally settled on 30 – 90 days. The carrying amounts of the accounts payable approximate to their fair values.

26. DERIVATIVE FINANCIAL INSTRUMENTS

		Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Forward currency contracts at 31 March	於三月三十一日之遠期貨幣合約	<u>(1,496)</u>	<u>-</u>

The carrying amounts of forward currency contracts approximate to their fair values.

25. 應付賬款

本集團於結算日按發票日期計算的應付賬款賬齡分析如下：

本集團

應付賬款為免息及一般於三十至九十日內結清。應付賬款之賬面值與其公平值相若。

26. 衍生財務工具

遠期貨幣合約之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As detailed in note 2.2(b) to the financial statements, the Group has entered into various forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging currency derivatives amounting to HK\$1.5 million were charged to the income statement during the year (2005: Nil).

As at 31 March 2006, the Group had outstanding forward currency contracts with an aggregate notional amount of approximately HK\$526 million (2005: HK\$285 million) to hedge payables in US dollars.

26. 衍生財務工具 (續)

誠如財務報表附註2.2(b)所闡述，本集團已訂立多份遠期貨幣合約以管理其並未符合對沖會計條件之外匯風險。非對沖貨幣衍生工具之公平值變動1,500,000港元已於年內計入收益表(二零零五年：無)。

於二零零六年三月三十一日，本集團有總名義數額約為526,000,000港元(二零零五年：285,000,000港元)之未平倉遠期貨幣合約對沖應付美元款項。

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

27. 計息銀行及其他借貸

		Effective interest rate 實際利率 (%)	Maturity 到期	Group 本集團	
				2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Current	即期				
Finance lease payables (note 28)	融資租賃應付款項 (附註28)	4 – 6.9	2007 二零零七年	10,532	8,419
Bank loans – unsecured	銀行貸款 – 無抵押	5.4 – 5.65	2007 二零零七年	48,333	141,697
Trust receipt loans	信託收據貸款	5.4 – 5.9	30 June 2006 二零零六年 六月三十日	195,723	136,894
				254,588	287,010
Non-current	非即期				
Finance lease payables (note 28)	融資租賃應付款項 (附註28)	4 – 6.9	2010 二零一零年	25,239	25,779
Bank loans – unsecured	銀行貸款 – 無抵押	5.65	2010 二零一零年	181,000	161,834
				206,239	187,613
				460,827	474,623

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31 March 2006 二零零六年三月三十一日

27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

27. 計息銀行及其他借貸 (續)

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Analysed into:	分析為：		
Bank loans repayable:	須於下列年期償還的銀行貸款：		
Within one year or on demand	一年內	244,056	278,591
In the second year	第二年	92,000	98,000
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	89,000	63,834
		425,056	440,425
Finance lease payables:	融資租賃應付款項		
Within one year	一年內	10,532	8,419
In the second year	第二年	10,396	6,919
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	14,843	18,860
		35,771	34,198
		460,827	474,623

As at 31 March 2006, all the Group's bank borrowings were secured by a corporate guarantee granted by the Company and cross-corporate guarantees by certain subsidiaries and the Company. As disclosed in note 37(c) to the financial statements, under the terms of a loan agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

於二零零六年三月三十一日，所有本集團的銀行借貸均由本公司授出的企業擔保及若干附屬公司與本公司互相作出的企業擔保作抵押。誠如財務報表附註37(c)所披露，根據貸款協議條款，本公司主席凌少文先生作為單一最大股東，並積極參與本集團的管理及業務，須於本公司之持股量維持最少40%。

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財務報表附註

31 March 2006 二零零六年三月三十一日

27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

27. 計息銀行及其他借貸 (續)

Other interest rate information:

其他利率資料：

Group
本集團

	2006		2005	
	二零零六年		二零零五年	
	Fixed rate	Floating rate	Fixed rate	Floating rate
	固定利率	浮動利率	固定利率	浮動利率
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
Finance lease payables 融資租賃應付款項	9,749	26,022	-	34,198
Bank loans – unsecured 銀行貸款 – 無抵押	-	425,056	6,664	433,761

The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

本集團的銀行及其他借貸之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

28. FINANCE LEASE PAYABLES

The Group leases certain of its plant and machinery for its business. These leases are classified as finance leases and have remaining lease terms ranging from one to five years. At 31 March 2006, the total future minimum lease payments under finance leases and their present values were as follows:

28. 融資租賃應付款項

本集團租用其若干廠房及機器作業務運作之用。該等租約列為融資租賃，餘下租期介乎一至五年不等。於二零零六年三月三十一日，按融資租賃須付未來最低租金總額及其現值如下：

Group	本集團	Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
		最低租金	最低租金	最低租金現值	最低租金現值
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amounts payable:	須於下列年期償還：				
Within one year	一年內	12,319	9,080	10,532	8,419
In the second year	第二年	11,558	7,408	10,396	6,919
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	15,671	19,500	14,843	18,860
Total minimum finance lease payments	融資租賃最低租金總額	39,548	35,988	35,771	34,198
Future finance charges	未來融資費用	(3,777)	(1,790)		
Total net finance lease payables	融資租賃應付款項總承擔淨額	35,771	34,198		
Portion classified as current liabilities (note 27)	列作流動負債部分 (附註27)	(10,532)	(8,419)		
Non-current portion (note 27)	非即期部分 (附註27)	25,239	25,779		

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31 March 2006 二零零六年三月三十一日

29. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

DEFERRED TAX LIABILITIES

GROUP

29. 遞延稅項

年內遞延稅項負債及資產的變動如下：

遞延稅項負債

本集團

		2006 二零零六年			
		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Development costs 開發成本 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2005	於二零零五年四月一日				
As previously reported	如之前呈報	24,895	1,091	16,876	42,862
Prior year adjustments	對上年度的調整	(283)	-	(4,340)	(4,623)
As restated	重列	24,612	1,091	12,536	38,239
Deferred tax charged/(credited) to the income statement during the year (note 10)	年內於 收益表扣除/(計入)的遞延稅項 (附註10)	(5,388)	258	(116)	(5,246)
Gross deferred tax liabilities At 31 March 2006	遞延稅項負債總額 於二零零六年三月三十一日	19,224	1,349	12,420	32,993

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31 March 2006 二零零六年三月三十一日

29. DEFERRED TAX (CONTINUED)**DEFERRED TAX ASSETS****GROUP****29. 遞延稅項** (續)**遞延稅項資產****本集團**

		2006 二零零六年		
		Loss available for offset against future taxable profit 可供抵銷 日後應課稅 溢利的虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2005	於二零零五年四月一日	6,118	412	6,530
Deferred tax charged to the income statement during the year (note 10)	年內於收益表扣除的 遞延稅項 (附註10)	(3,001)	(48)	(3,049)
Gross deferred tax assets at 31 March 2006	於二零零六年三月三十一日 的遞延稅項資產總額	<u>3,117</u>	<u>364</u>	<u>3,481</u>
Net deferred tax liabilities at 31 March 2006	於二零零六年三月三十一日 的遞延稅項負債淨額			<u>29,512</u>

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31 March 2006 二零零六年三月三十一日

29. DEFERRED TAX (CONTINUED)**DEFERRED TAX LIABILITIES****GROUP****29. 遞延稅項** (續)**遞延稅項負債****本集團**

		2005 二零零五年			
		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 港幣千元	Development costs 發展成本 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2004	於二零零四年四月一日				
As previously reported	如之前呈報	22,061	776	11,438	34,275
Prior year adjustments	對上年度調整	(489)	-	(1,891)	(2,380)
As restated	重列	21,572	776	9,547	31,895
Deferred tax charged to the income statement during the year (note 10)	年內於收益表扣除的 遞延稅項(附註10)	3,040	315	-	3,355
Deferred tax debited to equity during the year (as restated)	年內扣除自股本之 遞延稅項(重列)	-	-	2,989	2,989
Gross deferred tax liabilities At 31 March 2005	遞延稅項負債總額 於二零零五年三月三十一日	24,612	1,091	12,536	38,239

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31 March 2006 二零零六年三月三十一日

29. DEFERRED TAX (CONTINUED)

DEFERRED TAX ASSETS

GROUP

	2005 二零零五年
Loss available for offset against future taxable profit	
可供抵銷日後應課稅溢利的虧損	
HK\$'000	HK\$'000
港幣千元	港幣千元
At 1 April 2004	5,375
於二零零四年四月一日	
Deferred tax credited to the income statement during the year (note 10)	743
年內於收益表計入的遞延稅項(附註10)	
Gross deferred tax assets at 31 March 2005	6,118
於二零零五年三月三十一日的遞延稅項資產總值	
Net deferred tax liabilities at 31 March 2005	31,709
於二零零五年三月三十一日的遞延稅項負債淨值	

At 31 March 2006, there was no significant unrecognised deferred tax liability (2005: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. 遞延稅項 (續)

遞延稅項資產

本集團

	2005 二零零五年	
Loss available for offset against future taxable profit		Total
可供抵銷日後應課稅溢利的虧損		總計
HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元
At 1 April 2004	5,375	5,375
於二零零四年四月一日		
Deferred tax credited to the income statement during the year (note 10)	743	1,155
年內於收益表計入的遞延稅項(附註10)		
Gross deferred tax assets at 31 March 2005	6,118	6,530
於二零零五年三月三十一日的遞延稅項資產總值		
Net deferred tax liabilities at 31 March 2005	31,709	
於二零零五年三月三十一日的遞延稅項負債淨值		

於二零零六年三月三十一日，並無就本集團若干附屬公司之未匯出盈利應付之稅項而有重大未確認遞延稅項負債(二零零五年：無)，原因為倘本集團匯出該等金額，其並無額外稅項負債。

本公司派付予股東之股息並無所得稅影響。

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31 March 2006 二零零六年三月三十一日

30. SHARE CAPITAL

30. 股本

		Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Authorised:	法定：		
1,200,000,000	1,200,000,000股		
(2005: 1,200,000,000) ordinary shares of HK\$0.10 each	(二零零五年：1,200,000,000股) 每股面值0.10港元的普通股	120,000	120,000
Issued and fully paid:	已發行及繳足：		
952,889,962 (2005: 952,889,962) ordinary shares of HK\$0.10 each	952,889,962股(二零零五年：952,889,962股) 每股面值0.10港元的普通股	95,289	95,289

In 2005, a rights issue of one rights share for every two existing shares held by members on the register of members on 24 February 2005 was made, at an issue price of HK\$0.20 per rights share, resulting in the issue of 317,629,987 shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$63,526,000.

於二零零五年，本公司按發行價每股供股股份0.20港元之價格，以供股方式就二零零五年二月二十四日股東名冊上之股東所持之每兩股現有股份發行一股供股，導致發行317,629,987股每股面值0.10港元之股份，總現金代價(未計開支)為63,526,000港元。

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31 March 2006 二零零六年三月三十一日

30. SHARE CAPITAL (CONTINUED)

A summary of the transactions in the Company's issued share capital is as follows:

30. 股本 (續)

於本公司已發行股本所進行之交易概述如下：

		Number of shares in issue 已發行 股份數目	Issued share capital 已 發行股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 April 2004	於二零零四年四月一日	635,259,975	63,526	28,735	92,261
Rights issue	供股	317,629,987	31,763	31,763	63,526
Share issue expenses	股份發行開支	-	-	(1,400)	(1,400)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005 and 31 March 2006	於二零零五年三月三十一日 及二零零六年三月三十一日	952,889,962	95,289	59,098	154,387

SHARE OPTIONS

Details of the Company's share option scheme are included in note 31 to the financial statements.

購股權

本公司購股權計劃詳情載於財務報表附註31。

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財務報表附註

31 March 2006 二零零六年三月三十一日

31. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's executive directors or employees of the Group. The Option Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 16 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue from time to time. No option may be granted to any one employee which, if exercised in full, would result in the total number of shares already issued and issuable to him/her under the Option Scheme exceeding 25% of the maximum aggregate number of shares subject to the Option Scheme at the time it is proposed to grant the relevant option to such employee.

The exercise price of the share options is determined by the directors and is equal to the higher of (i) the nominal value of the shares; and (ii) a price, which is not less than 85% of the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant of such options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. 購股權計劃

本公司設有購股權計劃（「購股權計劃」），旨在向該等對本集團業務成就有所貢獻的合資格參與人士提供獎勵及獎賞。購股權計劃合資格參與人士包括本公司執行董事或本集團僱員。購股權計劃於本公司股份於一九九七年十月十六日在聯交所上市後生效。除經取消或修訂外，該計劃將自上述日期起生效，為期10年。

根據購股權計劃目前可予授出的尚未行使購股權數目上限，相等於在購股權獲行使時本公司不時已發行股份的10%。倘向任何一名僱員授出購股權，而全面行使有關購股權將導致根據購股權計劃已發行及可發行予該名僱員的股份總數，超過在建議授出有關購股權予該名僱員之時購股權計劃所涉及股份總數上限25%，則不得向該名僱員授出購股權。

購股權行使價由董事釐定，相等於下列較高者：(i) 股份面值；及(ii) 不低於本公司股份在緊接授出有關購股權當日前五個交易日在聯交所的平均收市價85%的價格。

購股權並不賦予持有人享有股息或可於股東大會投票之權利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

31. SHARE OPTION SCHEME (CONTINUED)

An option may be exercised in accordance with the terms of the Option Scheme at any time from the date of acceptance of the option by an employee or such later date as may be fixed by the directors, to any date prior to the tenth anniversary of such date, provided that the employee can only exercise a maximum of 20% of the options granted to him in each 12-month period following the commencement of the relevant option period. The consideration to be paid by the employee upon acceptance of a grant of options is HK\$1.00.

With effect from 1 September 2001, the Stock Exchange requires that the exercise price of options is at least the higher of the closing price of the shares on the Stock Exchange on the date of grant and the average of the closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the date of this report, the Company has not granted any option on or after 1 September 2001.

31. 購股權計劃 (續)

有關僱員可自接納購股權之日或董事可能訂定的較後日期起至該日期後十年屆滿當日止期間，隨時按照購股權計劃的條款行使購股權，惟有關僱員在有關購股權期間開始後各個12個月期間僅可行使最多達其獲授購股權的20%。僱員在接納授出之購股權時須支付的代價為1.00港元。

自二零零一年九月一日起，聯交所規定購股權最低行使價須為下列較高者：股份於授出日期在聯交所的收市價及股份在緊接授出日期前五個交易日在聯交所的平均收市價。截至本報告日期，本公司於二零零一年九月一日或之後並無授出任何購股權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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31. SHARE OPTION SCHEME (CONTINUED)

The following share options were outstanding under the Option Scheme during the year:

31. 購股權計劃 (續)

年內，在購股權計劃下尚未行使的購股權如下：

	Number of outstanding share options		At 31 March 2006	Date of grant of share options	Exercise period of share options	Exercise price of share options*
	At 1 April 2005	cancelled during the year				
	於二零零五年四月一日	年內註銷之未行使購股權數目	於二零零六年三月三十一日	購股權授出日期	購股權行使期	購股權行使價* HK\$ 港元
Directors						
董事						
Ling Siu Man, Simon	15,000,000	–	15,000,000	07-04-00	10-04-00 to 09-04-10	0.467
凌少文				二零零零年 四月七日	二零零零年 四月十日至 二零一零年 四月九日	
Lee Ka Yue, Peter	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
李嘉渝				二零零零年 四月七日	二零零零年 四月十日至 二零一零年 四月九日	
Wong Ki Cheung	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
黃其昌				二零零零年 四月七日	二零零零年 四月十日至 二零一零年 四月九日	
Li Fung Ching, Catherine	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
李鳳貞				二零零零年 四月七日	二零零零年 四月十日至 二零一零年 四月九日	
Au Wai Man	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
區偉民				二零零零年 四月七日	二零零零年 四月十日至 二零一零年 四月九日	

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31. SHARE OPTION SCHEME (CONTINUED)

31. 購股權計劃 (續)

	Number of outstanding share options		At 31 March 2006	Date of grant of share options	Exercise period of share options	Exercise price of share options*
	At 1 April 2005	cancelled during the year				
	於二零零五年四月一日	年內註銷之未行使購股權數目	於二零零六年三月三十一日	購股權授出日期	購股權行使期	購股權行使價* HK\$ 港元
Liu Hoi Keung, Gary 廖開強	2,715,000	–	2,715,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
Lam Kwai Wah 林桂華	1,650,000	–	1,650,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
	<u>30,225,000</u>	<u>–</u>	<u>30,225,000</u>			
Other employees In aggregate	40,050,000	(5,100,000)	34,950,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
其他僱員 合計	<u>70,275,000</u>	<u>(5,100,000)</u>	<u>65,175,000</u>			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

* 購股權之行使價會隨著供股或發行紅股，或本公司股本其他類似變動時作調整。

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31. SHARE OPTION SCHEME (CONTINUED)

At the balance sheet date and the date of approval of these financial statements, the Company had 65,175,000 share options outstanding under the Option Scheme, which represented approximately 6.8% of the Company's shares in issue at these dates. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 65,175,000 additional shares of the Company and additional share capital of HK\$6,517,500 and share premium of approximately HK\$23,919,000 (before issue expenses).

32. RESERVES

(a) GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 38 in the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor.

31. 購股權計劃 (續)

於結算日及本財務報表批准日期，本公司根據購股權計劃共有65,175,000股尚未行使購股權，佔本公司於該等日期之已發行股份約6.8%。按本公司現有股本架構而言，全面行使餘下購股權將導致本公司發行額外65,175,000股股份，並將導致額外股本6,517,500港元及股份溢價約23,919,000港元（未計開支）。

32. 儲備

(a) 本集團

本集團於本年度及過往年度之儲備及有關變動數額於財務報表第38頁之綜合權益變動表呈列。

本集團的繳入盈餘指本集團因籌備本公司股份在聯交所上市而重整本集團架構所進行的集團重組而收購的本集團前控股公司股本面值，超出本公司就此交換而發行股份面值的差額。

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32. RESERVES (CONTINUED)**(b) COMPANY**

		Share premium account	Contributed surplus	Retained profits	Total
		股份溢價賬	繳入盈餘	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2004	二零零四年四月一日	28,735	58,794	2,123	89,652
Issue of shares	發行股份	31,763	–	–	31,763
Share issue expenses	發行股份開支	(1,400)	–	–	(1,400)
Profit for the year	本年度溢利	–	–	39,770	39,770
Proposed final 2005 dividend	擬派二零零五年末期股息	–	–	(9,529)	(9,529)
At 31 March 2005 and at 1 April 2005	二零零五年三月三十一日 及二零零五年四月一日	59,098	58,794	32,364	150,256
Issue of shares	發行股份	–	–	–	–
Share issue expenses	發行股份開支	–	–	–	–
Loss for the year	本年度虧損	–	–	(11,092)	(11,092)
Proposed final 2006 dividend	擬派二零零六年末期股息	–	–	(9,529)	(9,529)
At 31 March 2006	二零零六年三月三十一日	59,098	58,794	11,743	129,635

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation referred to in note 32(a), over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Law (2002 Revision) of the Cayman Islands, the share premium account of the Company is available for distribution to shareholders, subject to the provisions of the Company's memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits.

本公司的繳入盈餘指根據附註32(a)所述重組所收購附屬公司之股份公平值，超出本公司就此交換而發行股份面值的差額。

根據開曼群島公司法(二零零二年修訂本)，除本公司組織章程大綱或細則另有規定者外，本公司可將股份溢價賬用作分派予股東，惟條件為本公司須於緊隨派發股息後可償還其在日常業務中到期的債項。董事認為，本公司可供分派的儲備為股份溢價賬、繳入盈餘及保留溢利。

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33. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

MAJOR NON-CASH TRANSACTIONS

- (i) During the year, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK\$12,138,000 (2005: HK\$32,500,000).
- (ii) During the year, deposits for the acquisition of items of property, plant and equipment of HK\$1,715,000 (2005: HK\$33,140,000) were utilised as part of the considerations paid for the purchases of the items of property, plant and equipment.
- (iii) During the year, the Group disposed of an item of property, plant and equipment for a consideration of HK\$8,607,500, of which HK\$1,017,500 was received during the year and the remaining balance of HK\$7,590,000 was recorded as an other receivable at amortised cost of HK\$6,264,000 at 31 March 2006 (note 20).

34. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

		Group		Company	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Guarantees for general banking facilities of subsidiaries*	為附屬公司的一般銀行信貸提供擔保*	-	-	1,292,175	1,197,325
Guarantees for the purchases of a subsidiary	一間附屬公司的採購擔保	-	-	4,596	4,464
Shipping guarantees	船務擔保	10,071	1,060	-	-
		10,071	1,060	1,296,771	1,201,789

* At 31 March 2006, HK\$460,827,000 (2005: HK\$471,304,000) of the general banking facilities were utilised by the subsidiaries.

33. 綜合現金流量表附註

主要非現金交易

- (i) 年內，本集團就物業、廠房及設備訂立融資租賃安排。於訂立該等租約時，該等物業、廠房及設備的資本總值為12,138,000港元（二零零五年：32,500,000港元）。
- (ii) 年內，購買物業、廠房及設備項目的訂金1,715,000港元（二零零五年：33,140,000港元）已經動用，作為購買物業、廠房及設備項目的部分代價。
- (iii) 年內，本集團以代價8,607,500港元出售物業、廠房及設備項目，當中，1,017,500港元已於年內收取，而餘款7,590,000港元則以二零零六年三月三十一日之攤銷成本6,264,000港元入賬列作其他應收款項（附註20）。

34. 或然負債

於結算日，未於財務報表中撥備的或然負債如下：

* 於二零零六年三月三十一日，附屬公司已動用的一般銀行信貸為460,827,000港元（二零零五年：471,304,000港元）。

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35. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

At 31 March 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	一年內	3,135	2,876
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,962	6,517
		7,097	9,393

At balance sheet date, the Company had no operating lease arrangements (2005: Nil).

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following capital commitments at the balance sheet date:

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment and tools	設備及工具	3,748	205
Moulds	模具	257	1,115
		4,005	1,320

35. 經營租賃安排

本集團根據經營租賃安排租賃其若干物業。物業租約的議訂年期介乎一至四年。

於二零零六年三月三十一日，本集團在不可撤銷經營租約下須於下列期間支付的未來最低租金總額為：

		Group 本集團
		2006 二零零六年
		HK\$'000 港幣千元
Within one year	一年內	3,135
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,962
		7,097

於結算日，本公司並無任何經營租賃安排(二零零五年：無)。

36. 承擔

除上文附註35所詳述經營租賃承擔外，本集團於結算日有以下資本承擔：

		Group 本集團
		2006 二零零六年
		HK\$'000 港幣千元
Contracted, but not provided for:	已訂約但未撥備：	
Equipment and tools	設備及工具	3,748
Moulds	模具	257
		4,005

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37. RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS, AND CONTINUING CONNECTED TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, during the year, the Group had the following related party and connected transactions:

- (a) The Group sold audio and video products and related components amounting to HK\$22,137,000 (2005: HK\$23,492,000) to Pioneer Ventures Limited ("PVL"), a wholly-owned subsidiary of EganaGoldpfeil (Holdings) Limited ("EG"), which is a substantial shareholder of the Company.

The sales to PVL were made according to the published prices and conditions offered to the other major customers of the Group.

- (b) In the prior year, the Group paid HK\$140,000 to International Taxation Advisory Services Limited, of which Mr. Wong Wai Kwong, David, a non-executive director of the Company, is a director, for corporate advisory services rendered to the Group.
- (c) During the year, the Group signed a term loan facility agreement for syndicated loan. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

37. 關連人士交易、關連交易及持續關連交易

除財務報表其他部分所載交易及結餘外，本集團於年內有下列關連人士及關連交易：

- (a) 本集團向本公司主要股東聯洲國際集團（「聯洲國際」）的全資附屬公司 Pioneer Ventures Limited（「PVL」）出售價值22,137,000港元（二零零五年：23,492,000港元）的音響與視像產品及有關零件。

向PVL銷售貨品乃根據公價及按本集團其他主要客戶所獲條件進行。

- (b) 去年，本集團就 International Taxation Advisory Services Limited（本公司非執行董事黃偉光先生乃該公司的董事）向本集團提供的企業顧問服務而支付140,000港元。
- (c) 年內，本集團就銀團貸款簽訂定期貸款融資協議。根據協議條款，本公司主席凌少文先生（彼為本集團唯一最大股東及積極參與本集團的管理及業務）須擁有本公司持股量之實際權益最少40%。

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37. RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS, AND CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

37. 關連人士交易、關連交易及持續關連交易 (續)

(d) Compensation of key management personnel of the Group:

(d) 本集團主要管理人員薪酬：

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	13,545	12,271
Post-employment benefits	離職後福利	562	538
Total compensation paid to key management personnel	已付主要管理人員薪酬總額	<u>14,107</u>	<u>12,809</u>

Further details of directors' emoluments are included in note 8 to the financial statements.

董事酬金之進一步詳情載於財務報表附註8。

The related party transactions in respect of items (a) and (b) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

以上(a)項及(b)項關連人士交易按照上市規則第14A章之規定亦構成持續關連交易。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, finance leases, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts and bills receivable and accounts payable, which arise directly from its operations.

The Group also enters into derivative transactions, principally forward currency contracts. The purpose is to manage its sources of finance and the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.5 to the financial statements.

CASH FLOW INTEREST RATE RISK

The interest rates of the interest-bearing bank and other borrowings of the Group are disclosed in note 27 to the financial statements. The Group believes its exposure to cash flow interest rate risk is minimal.

FOREIGN CURRENCY RISK

The Group has transactional currency exposures. Such exposure arise from substantial portion of sales or purchases by operating units in US dollars and RMB. The Group is exposed to foreign exchange risk in respect of transactions in US dollars and RMB. Considering that there is insignificant fluctuation in the exchange rates of US dollars and RMB against Hong Kong dollars, the Group believes its exposure to exchange rate risk is minimal.

The Group constantly reviews the economic situation and its foreign exchange risk profile, and considers implementing appropriate hedging measures in future as may be necessary.

38. 財務風險管理目標及政策

本集團之主要金融工具(衍生工具除外)包括計息銀行借貸、融資租賃及現金及銀行結存。該等金融工具之主要目的為就本集團業務籌集資金。本集團擁有多種其他金融資產及負債(例如應收賬款及票據及應付賬款)直接自其業務產生。

本集團亦進行衍生工具交易，主要為遠期貨幣合約，旨在管理其資金來源及產生自本集團業務之外匯風險。

本集團金融工具所產生之主要風險為現金流利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及同意管理各類該等風險之政策，該等政策於下文概述。本集團就衍生工具之會計政策載於財務報表附註2.5。

現金流利率風險

本集團之計息銀行及其他借貸於財務報表附註27披露。本集團認為其所承受之現金流利率風險為極低。

外匯風險

本集團須承受外匯交易風險。該等風險來自以美元及人民幣為經營單位之大額買賣。本集團須承受以美元及人民幣為單位交易之外匯風險。經考慮美元及人民幣與港元之間的匯率波幅輕微，本集團認為其所承受之外匯風險為極低。

本集團定期檢討經濟狀況及其外匯風險組合，並於未來可能需要時考慮實施適當之對沖措施。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Since the Group trades only with recognised and creditworthy third parties, there is generally no requirement for collateral.

LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings.

The Group consistently maintains a prudent financing policy and ensures that sufficient cash and credit lines are maintained to meet the Group's liquidity requirements.

39. COMPARATIVE AMOUNTS

As further explained in notes 2.2 and 2.4 to the financial statements, due to the adoption of new HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year and opening balance adjustments have been made and certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 July 2006.

38. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與已確認及具信譽之第三方進行貿易。本集團之政策為所有欲以信貸期進行貿易之客戶均須接受信貸驗證程序。此外，應收款項結餘乃以持續基準監控。

由於本集團僅與已確認及具信譽之第三方進行貿易，故一般並不需要抵押品。

流動資金風險

本集團的目標在於透過運用計息銀行及其他貸款，保持資金持續性與靈活性的平衡。

本集團持續維持審慎財政政策，並確保其維持足夠現金及信貸額度以符合本集團流動資金所需。

39. 比較金額

誠如財務報表附註2.2及2.4之進一步闡述，由於本年度內採納新訂香港財務報告準則，財務報表內若干項目及結餘之會計處理及呈列已予修訂，以符合新規定。因此，已作出若干往年及期初結餘調整及若干比較金額已重新分類及重列，以符合本年度之呈列及會計處理。

40. 財務報表的批准

財務報表已於二零零六年七月十八日獲董事會批准，並獲授權刊發。