

Notes to the Financial Statements 財務報表附註

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

1. GENERAL INFORMATION

China Solar Energy Holdings Limited (formerly known as “REXCAPITAL International Holdings Limited”) (the “Company”) is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its principal place of business is 21/F., 3 Lockhart Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (collectively, the “Group”) are mainly engaged in the following activities:

- provision of capital market advisory services
- participation in primary and secondary securities market
- money lending
- development, manufacturing, marketing and sale of photovoltaic solar cells, modules and panels for generating solar electric power and related training and consulting services (“photovoltaic business”)

The financial statements on page 39 to 131 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the financial statements include the applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The financial statements for the year ended 31 March 2006 were approved by the board of directors on 27 July 2006.

1. 一般資料

華基光電能源控股有限公司(前稱「御泰國際控股有限公司」)(「本公司」)為在百慕達註冊成立之有限公司,其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司之主要營業地點之地址為香港灣仔駱克道3號21樓。

本公司及其附屬公司(統稱「本集團」)主要從事以下業務:

- 提供資本市場顧問服務
- 參與主要及次要證券市場
- 貸款
- 太陽能發電之光伏太陽能電池、組件、控電板等之開發、生產、營銷及銷售,以及有關之培訓及顧問服務(「光伏業務」)

第39頁至第131頁刊載之財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)而編製。此外,財務報表包括香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

截至二零零六年三月三十一日止年度之財務報表已於二零零六年七月二十七日獲董事會批准。

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2. ADOPTION OF NEW AND REVISED HKFRS

2.1 Impact of new and revised HKFRS which are effective in the current financial year

From 1 April 2005, the Group has adopted the following new or revised standards of HKFRS which are relevant to its operations:

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 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 23	Borrowing Costs
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

2. 採納新訂及經修訂香港財務報告準則

2.1 本財政年度生效之新訂及經修訂香港財務報告準則之影響

由二零零五年四月一日起，本集團採納以下與其業務有關之香港財務報告準則之新訂或經修訂準則：

香港會計準則第1號	財務報表的呈報
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、會計估計更改及錯誤更正
香港會計準則第12號	所得稅
香港會計準則第14號	分部呈報
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
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	匯率變更之影響
香港會計準則第23號	借貸成本
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：披露及呈報
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

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transitional and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

All the standards have been applied retrospectively except where specific transitional provisions require a different treatment. Accordingly, the financial statements for the year ended 31 March 2005 including their presentation have been amended in accordance with HKAS 8 and comparative figures for financial year 2005 contained in these financial statements differ from those published in the financial statements for the year ended 31 March 2005.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

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 (修訂本)	過渡性及初步 確認金融 資產及金融 負債
香港財務報告準則 第2號	以股份為基礎 之支付
香港財務報告準則 第3號	業務合併

所有準則經已追溯應用，惟倘特定過渡性條文規定須作出不同方法處理者則除外。因此，截至二零零五年三月三十一日止年度之財務報表包括其呈列方式已根據香港會計準則第8號作出修訂，而此等財務報表所載之二零零五年財政年度比較數字亦有別於截至二零零五年三月三十一日止年度之財務報表所公佈者。

Notes to the Financial Statements 財務報表附註

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

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

Significant impacts on current, prior or future periods arising from the first-time adoption of the standards listed above with respect to presentation, recognition and measurement of accounts are described in the following paragraphs:

(a) *Adoption of HKAS 1*

The adoption of HKAS 1 led to an update of the presentation of financial statements. In particular, minority interests are now included as a separate line item within equity. Profit and loss attributable to minority interests and that attributable to equity holders of the Company is now presented as an allocation of the net result of the year. In addition, proceeds from sale of trading securities are now excluded from revenue.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

首次應用上列有關賬目呈列、確認及計量之準則對現時、過往或未來期間之重大影響載於下文：

(a) *採納香港會計準則第1 號*

採納香港會計準則第1號導致更新財務報表之呈列方式。特別是，少數股東權益現於權益內獨立列為一項。少數股東權益應佔之盈虧，以及本公司權益持有人應佔之盈虧，現呈列為年度之業績淨額之一項分配。此外，出售買賣證券所得款項現不包括於收益內。

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

(b) *Adoption of HKAS 32 and HKAS 39*

HKAS 32 requires all disclosure and presentation rules regarding financial instruments to be applied retrospectively. HKAS 39 generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis.

Convertible notes

In the prior year, convertible notes were stated at amortised cost. Upon the adoption of HKAS 32, convertible notes are split into liability and equity components. The adoption of HKAS 32 has no material effect on the financial statements.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

(b) **採納香港會計準則第 32號及香港會計準則 第39號**

香港會計準則第32號規定一切有關金融工具之披露及呈報規則均可追溯應用。香港會計準則第39號不容許對金融資產及負債進行追溯性之確認、取消確認或計量。

可換股票據

於過往年度，可換股票據按攤銷成本值入賬。採納香港會計準則第32號後，可換股票據分為負債及權益部份。採納香港會計準則第32號對財務報表並無重大影響。

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2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

(b) Adoption of HKAS 32 and HKAS 39 (continued)

Investments in securities

Prior to the adoption of HKAS 39, the Group classified its investments in securities as “Investments in securities” and “Trading securities” and recorded them at cost less any impairment and at fair value respectively. Upon the adoption of HKAS 39, investments in securities are classified as available-for-sale financial assets or financial assets at fair value through profit or loss, as appropriate. In accordance with the provision of HKAS 39, available-for-sale financial assets and financial assets at fair value through profit or loss are carried at fair value with changes in fair value dealt with in equity and recognised in income statement respectively. The adoption of HKAS 39 has not resulted in any change in measurement of these securities. Other adjustments as a result of adoption of HKAS 39, which is applied prospectively, is recognised in the opening balances on 1 April 2005 and are summarised in note 2.1(f).

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

(b) 採納香港會計準則第 32號及香港會計準則 第39號 (續)

證券投資

於採納香港會計準則第39號前，本集團將其證券投資分類作「證券投資」及「交易證券」，並分別按成本減任何減值及以公允價值列賬。採納香港會計準則第39號後，證券投資適當地分類作可供出售金融資產或以公允價值列入損益賬之金融資產（如適用）。根據香港會計準則第39號規定，可供出售金融資產及以公允價值列入損益賬之金融資產以公允價值列賬，而公允價值之變動則分別於權益處理及於損益賬中確認。採納香港會計準則第39號並未對該等證券的計量造成任何變動。其他因追溯採納香港會計準則第39號所引致之調整，於二零零五年四月一日之期初結餘中確認，且概述於附註 2.1(f)。

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

(c) *Adoption of HKAS 36 and HKFRS 3*

Goodwill arising on acquisitions in prior years was capitalised and amortised over its estimated useful life and was subject to impairment testing when there was indication of impairment. The adoption of HKFRS 3 has resulted in the Group ceasing goodwill amortisation and commencing impairment testing annually as well as when there is indication of impairment. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current financial year. The carrying amount of the related accumulated amortisation on 1 April 2005 was eliminated against the gross amount of goodwill.

The effect of the above changes are summarised in notes 2.1(e) and 2.1(f). In accordance with the relevant transitional provisions of HKFRS 3, comparative figures have not been restated.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

(c) *採納香港會計準則第 36號及香港財務報告 準則第3號*

於過往年度因收購產生之商譽按其估計可使用年期資本化及攤銷，並須於出現減值跡象時進作減值測試。採納香港財務報告準則第3號令本集團不再進行商譽攤銷，而每年及出現減值跡象時進行商譽測試。此會計政策之變更，導致本財政年度並無商譽攤銷。於二零零五年四月一日有關累計攤銷的賬面值在商譽總額撇銷。

以上變更之影響概述於附註2.1(e)及2.1(f)。根據香港財務報告準則第3號有關過渡性條文，比較數字並未重列。

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2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

(d) Adoption of HKFRS 2

HKFRS 2 requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options of the Company or its subsidiaries determined at the date of grant of the share options over the vesting period (“share based compensation”). Prior to the adoption of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The transitional provisions of HKFRS 2 allow the Group to adopt HKFRS 2 retrospectively for share options which were granted on or after 7 November 2002 and had not yet vested on 1 April 2005. Other than the share options granted during the current financial year which have been accounted for in accordance with HKFRS 2 (the financial effect is summarised in notes 2.1(e) and 2.1(f)), the Group had no share options granted after 7 November 2002 and remained unvested on 1 April 2005 and accordingly, comparative figures have not been restated.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及經 修訂香港財務報告準則之影 響 (續)

(d) 採納香港財務報告準 則第2號

根據香港財務報告準則第2號，倘本集團以股份或股份權利，或以相當於指定數目股份或股份權利之其他等值資產購入貨物或取得服務，則須確認開支。香港財務報告準則第2號對本集團之主要影響乃關乎本公司或其附屬公司之購股權須於歸屬期內按購股權授出日期釐定之公允價值支銷（「以股份支付之補償」）。在採納香港財務報告準則第2號前，本集團不會於購股權獲行使前確認該等購股權之財務影響。就於二零零二年十一月七日或其後授出而於二零零五年四月一日尚未歸屬之購股權，香港財務報告準則第2號之過渡性條文容許本集團追溯採納香港財務報告準則第2號。除於本財政年度授出之購股權已根據香港財務報告準則第2號列賬外（財務影響概述於附註2.1(e)及2.1(f)），本集團概無於二零零二年十一月七日後授出而於二零零五年四月一日尚未歸屬之購股權，故並未重列比較數字。

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

- (e) The changes in accounting policies arising from the adoption of the new and revised HKFRS have effect on the consolidated income statement for the year ended 31 March 2006 and the effects are summarised below:

2. 採納新訂及經修訂香港財務報告準則 (續)

2.1 本財政年度生效之新訂及經修訂香港財務報告準則之影響 (續)

- (e) 採納新訂及經修訂香港財務報告準則產生之會計政策變動對截至二零零六年三月三十一日止年度之綜合收益表之影響概述如下：

Year ended 31 March 2006	截至二零零六年 三月三十一日止年度	Effect of adopting 採納以下準則之影響		
		HKAS 36 & HKFRS 3 HK\$'000 香港會計 準則第36號 及香港 財務報告 準則第3號 千港元	HKFRS 2 HK\$'000 香港 財務報告 準則第2號 千港元	Total HK\$'000 總計 千港元
Decrease in amortisation of goodwill	攤銷商譽減少			
- discontinuation of amortisation of goodwill	- 停止攤銷商譽	2,712	-	2,712
Increase in staff costs	僱員成本增加			
- share options granted	- 授出購股權	-	(24,186)	(24,186)
(Increase)/Decrease in loss for the year	年內虧損(增加)/減少	2,712	(24,186)	(21,474)
(Increase)/Decrease in basic loss per share	每股基本虧損(增加)/減少	HK cents港仙 0.09	HK cents港仙 (0.84)	HK cents港仙 (0.75)
(Increase)/Decrease in diluted loss per share	每股攤薄虧損(增加)/減少	HK cents港仙 N/A不適用	HK cents港仙 N/A不適用	HK cents港仙 N/A不適用

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2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.1 Impact of new and revised HKFRS which are effective in the current financial year (continued)

(f) The changes in accounting policies arising from the adoption of the new and revised HKFRS have effect on the consolidated balance sheets as at 1 April 2005 and 31 March 2006 and the effects are summarised below:

		Effect of adopting 採納以下準則之影響			Total 總計
		HKAS 32 & HKAS 39 香港會計 準則第32號 及香港會計 準則第39號 HK\$'000 千港元	HKAS 36 & HKFRS 3 香港會計 準則第36號 及香港 財務報告 準則第3號 HK\$'000 千港元	HKFRS 2 香港 財務報告 準則第2號 HK\$'000 千港元	
At 1 April 2005	於二零零五年四月一日				
Increase/(Decrease) in assets	資產增加/(減少)				
Financial assets at fair value	以公允價值列入損益賬				
through profit or loss	之金融資產	13,388	-	-	13,388
Trading securities	交易證券	(13,388)	-	-	(13,388)
At 31 March 2006	於二零零六年三月三十一日				
Increase/(Decrease) in assets	資產增加/(減少)				
Financial assets at fair value	以公允價值列入損益賬				
through profit or loss	之金融資產	16,173	-	-	16,173
Trading securities	交易證券	(16,173)	-	-	(16,173)
Increase/(Decrease) in equity	權益增加/(減少)				
Share option reserve	購股權儲備	-	-	22,569	22,569
Share premium	股份溢價	-	-	1,617	1,617
Accumulated losses	累計虧損	-	2,712	(24,186)	(21,474)

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.1 本財政年度生效之新訂及 經修訂香港財務報告準則之影 響 (續)

(f) 採納新訂及經修訂香港財務報告準則產生之會計政策變動對二零零五年四月一日及二零零六年三月三十一日之綜合資產負債表之影響概述如下：

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.2 New standards or interpretation that have been issued but not yet effective

The Group has not early adopted the following standards or interpretations of HKFRS that have been issued but are not yet effective and are relevant to the Group. The directors of the Company anticipate that the adoption of such standards or interpretations will not result in substantial changes as to how the results and financial position are prepared and presented.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation ²
HKAS 39 (Amendment)	The Fair Value Option ²
HKAS 39 & HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts ²
HKFRS 7	Financial Instruments – Disclosures ¹
HK(IFRIC) – INT 8	Scope of HKFRS2 ³
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives ⁴

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.2 已頒佈但未生效之新訂準則 或詮釋

以下已頒佈但未生效而有關本集團之香港財務報告準則之準則或詮釋，本集團並未提前採納該等準則或詮釋。本公司董事預期採納該等準則或詮釋，將不會導致業績及財務狀況之編製及呈報出現重大變動。

香港會計準則 第1號 (修訂本)	資本披露 ¹
香港會計準則 第21號 (修訂本)	匯率變動之影響 – 於海外業務之 投資淨額 ²
香港會計準則 第39號 (修訂本)	公允價值期權 ²
香港會計準則 第39號及香港 財務報告準則 第4號 (修訂本)	金融工具：確認及 計量及保險合約 – 財務擔保 合約 ²
香港財務報告 準則第7號	金融工具—披露 ¹
香港 (國際財務 報告詮釋委員會) – 詮釋第8號	香港財務報告準則 第2號之範圍 ³ – 詮釋第8號
香港 (國際財務 報告詮釋委員會) – 詮釋第9號	重估嵌入式衍生 工具 ⁴

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

2. ADOPTION OF NEW AND REVISED HKFRS (continued)

2.2 New standards or interpretation that have been issued but not yet effective (continued)

- ¹ *Effective for annual periods beginning on or after 1 January 2007*
- ² *Effective for annual periods beginning on or after 1 January 2006*
- ³ *Effective for annual periods beginning on or after 1 May 2006*
- ⁴ *Effective for annual periods beginning on or after 1 June 2006*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities. The measurement bases are fully described in the accounting policies below. It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2. 採納新訂及經修訂香港財務報告 準則 (續)

2.2 已頒佈但未生效之新訂準則 或詮釋 (續)

- ¹ 於二零零七年一月一日或其後開始之年度期間生效
- ² 於二零零六年一月一日或其後開始之年度期間生效
- ³ 於二零零六年五月一日或其後開始之年度期間生效
- ⁴ 於二零零六年六月一日或其後開始之年度期間生效

3. 重大會計政策概要

(a) 編製基準

財務報表乃按歷史成本法編製，惟若干金融資產及金融負債之重估除外。計量基準詳見下文之會計政策。務請注意，編製財務報表時會作出會計估計及假設。儘管此等估計乃根據管理層對現時事件及行動之最深切瞭解而作出，惟實際業績最終或會有別於該等估計之情況。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All material intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred, in which case they are recognised immediately in income statement.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the assets acquired and liabilities, including contingent liabilities, assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

3. 重大會計政策概要 (續)

(b) 綜合基準

綜合財務報表綜合計入本公司及其附屬公司截至每年三月三十一日止之財務報表。附屬公司的業績自收購日期(即本公司取得控制權之日)起至有關控制權終止之日期間綜合入賬。所有重大的集團公司間交易、結餘及因集團公司間交易產生的未變現收益於綜合賬目時已對銷。未變現虧損亦會對銷，惟若交易提供所轉讓資產之減值憑證，則即時於收益表中確認。

於年內附屬公司之收購已採用會計收購法入賬。此方法涉及將業務合併之成本分配至所收購資產之公允價值以及於收購日期所承擔之負債(包括或然負債)。收購成本以特定資產公允價值、已發行權益工具及於交換日期所產生或承擔之負債加上收購直接應佔成本之總額計算。收購成本超過本集團分佔所收購可識別資產淨值之公允價值錄作商譽。倘收購成本低於所收購附屬公司資產淨值之公允價值，則當中之差額直接於收益表中確認。

Notes to the Financial Statements 財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

(c) Subsidiaries

Subsidiaries are entities over which the Company has the power to directly or indirectly control the financial and operating policies.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

(d) Goodwill

Goodwill arising on acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. Goodwill is initially recognised in the consolidated balance sheet as an asset at cost and subsequently measured at cost less any impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes the circumstances indicate that the carrying value of goodwill may be impaired.

On subsequent disposal of a subsidiary, the carrying amount of goodwill relating to the entity is included in determining the amount of gain or loss on the disposal.

3. 重大會計政策概要 (續)

(b) 綜合基準 (續)

少數股東權益指外界股東於本公司附屬公司業績及資產淨值中所佔之權益。

(c) 附屬公司

附屬公司乃本公司對其財務及營運政策擁有直接或間接控制權之實體。

於本公司資產負債表，附屬公司按成本值扣除任何減值虧損列賬。本公司按結算日已收及應收股息將附屬公司之業績入賬。

(d) 商譽

收購附屬公司產生之商譽，乃收購成本超過於本集團於收購日本集團所佔收購附屬公司之可識別資產淨值、負債及或然負債之公允價值之餘額。商譽於綜合資產負債表按成本初步確認作資產，並於其後按成本扣除任何減值虧損計量。商譽乃每年作減值測試，倘有事件或情況變化顯示商譽之賬面值可能出現減值，則商譽或要更頻繁作減值測試。

於往後出售附屬公司，有關實體之商譽賬面值乃計入出售損益金額之釐定。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, which comprise purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided to write off the cost of property, plant and equipment over its estimated useful lives on a straight-line basis, as follows:

Leasehold improvements	3 years
Plant and machinery	5 to 10 years
Furniture, fixtures and equipment	4 to 10 years

Useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gain or loss arising on disposal of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the income statement.

3. 重大會計政策概要 (續)

(e) 物業、廠房及設備

物業、廠房及設備按其成本減累計折舊及任何減值虧損入賬，包括其購入價及將該資產達至其營運狀態及工作地點作其預定用途所涉及之任何直接應佔成本。其後成本乃計入資產之賬面值或確認作獨立資產（如適用），惟前提為本集團可能就該項目產生相關之未來經濟利益，而項目成本可以可靠計量。所有其他維修及保養於產生之財政期間自收益扣除。

物業、廠房及設備之折舊於其估計可使用年期內以直線法撇銷成本。

租賃裝修	3年
廠房及機器	5至10年
傢俬、裝置及設備	4至10年

可使用年期於各結算日予以審閱及調整。

出售物業、廠房及設備產生之收益或虧損乃按出售所得款項淨額與資產賬面值之差額釐定，並於收益表中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the income statement on a straight-line basis over the lease terms.

(g) Financial assets

Financial assets are classified into the following categories: loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and, where allowed and appropriate, re-evaluates the determination at every reporting date.

All financial assets are recognised on their trade date (i.e. the date that the Group commits to purchase the asset). 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.

3. 重大會計政策概要 (續)

(f) 經營租賃

若資產之所有重大風險及回報均為出租人所有，有關租約即作為經營租約記賬。此等租約之年租支出按租約年期以直線法計算，並於收益表內扣除。

(g) 金融資產

金融資產分作以下類別：貸款及應收款項、以公允價值列入損益賬之金融資產及可供出售金融資產。管理層按金融資產之收購目的來釐定於初步確認時該金融資產之分類，如情況容許及適用，則於每個呈報日作重估。

所有金融資產均於其交易日確認（如本集團承諾購買資產之日）。金融資產於初步確認時乃按公允價值計量，倘投資並非按公允價值列入損益賬，則另加直接應佔交易成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

The accounting policies adopted in respect of each category of financial assets are set out below.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in their values are recognised in income statement.

3. 重大會計政策概要 (續)

(g) 金融資產 (續)

倘收取投資產生之現金流量之權利失效或被轉讓，且擁有權之絕大部分風險及報酬已經轉移，即終止確認金融資產。無論是否有客觀證據顯示一項金融資產或一類金融資產已經減值，均至少於每個結算日進行一次減值評估。

有關各類別金融資產採納之會計政策載述如下：

(i) 貸款及應收款項

貸款及應收款項為具有固定或可確定付款，但於活躍市場中無報價之非衍生金融資產。貸款及應收款項其後以實際利率法按攤銷成本（減任何減值虧損）計量。其價值之任何變動均於收益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

(i) Loans and receivables (continued)

Impairment provision is recognised for loans and receivables when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either held for trading or are designated by the Group to be carried at fair value through profit or loss on initial recognition.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement. Financial assets originally designated as financial assets at fair value through profit or loss may not subsequently be re-classified.

3. 重大會計政策概要 (續)

(g) 金融資產 (續)

(i) 貸款及應收款項 (續)

倘有客觀證據顯示本集團將無法根據應收款項原定條款收回全部應收之金額，即就貸款及應收款項作出減值撥備。撥備之金額乃按資產賬面值與估計未來現金流量現值之差額釐定。

(ii) 以公允價值列入損益賬之金融資產

按公允價值列賬於損益賬處理之金融資產包括歸為持作買賣之金融資產，或於初步確認時即由本集團確定為以公允價值列入損益賬之金融資產。

初步確認後，歸入此類之金融資產乃按公允價值計量，而公允價值變動於收益表內確認。原定為以公允價值列入損益賬之金融資產及後或不得重新分類。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are subsequently measured at fair value, with changes in value recognised in equity. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement. When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in the income statement even though the financial asset has not been derecognised. Impairment losses previously recognised in the income statement on equity instruments will not reverse in subsequent periods through profit or loss.

3. 重大會計政策概要 (續)

(g) 金融資產 (續)

(iii) 可供出售金融資產

可供出售金融資產包括歸入此類或未能歸入任何其他類別金融資產之非衍生金融資產。介乎此類別之所有金融資產按公允價值計算，而價值變動則確認為權益。於出售時，早前於權益確認之累計收益或虧損轉撥至收益表。當已直接於權益確認可供出售金融資產之公允價值減值，且有客觀證據顯示該資產出現減值，則即使有關金融資產尚未剔除確認，已直接於權益確認之累計虧損自權益移除，並於收益表確認。早前於收益表股本工具確認之減值虧損將不會於往後期間透過損益賬撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

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

(h) Long-term service contracts

Revenue from service contracts is recognised according to the percentage of completion of individual contract. The percentage of completion is determined by comparing costs incurred to date with the total estimated costs of the contract. If the contract is considered profitable, it is valued at cost plus attributable profits by reference to the percentage of completion. Any expected loss on individual contract is recognised immediately as an expense in the income statement.

3. 重大會計政策概要 (續)

(g) 金融資產 (續)

(iii) 可供出售金融資產 (續)

就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公允價值未能可靠計量，則於初步確認後之每個結算日按成本減任何已識別減值虧損計量。倘有客觀證據顯示資產出現減值，則減值虧損於收益表內確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值間之差額計量。該減值虧損將不會於往後期間撥回。

(h) 長期服務合約

服務合約收入根據個別合約之完成百分比作確認。完成百分比乃按比較至今所產生至成本與該合約之總估計成本而釐定。倘合約乃視作有利可圖，乃參考其完成程按成本值加應佔溢利計值。任何個別合約之預計損失即時於收益表中確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Long-term service contracts (continued)

Unbilled revenue from long-term service contracts represents costs incurred for contracts plus attributable profits in excess of progress billings to the relevant customers and is included under current assets. Amounts billed for works performed but not yet paid by the customers are included in the balance sheet under trade and other receivables.

(i) Inventories

Inventories consist primarily of finished goods and are carried at the lower of cost and net realisable value. Cost, determined using the first-in, first-out method, mainly comprises expenses directly attributable to the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(j) Foreign currency translation

The financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

3. 重大會計政策概要 (續)

(h) 長期服務合約 (續)

長期服務合約之未開單收入，即合約產生之成本加有關客戶應佔進度款項餘額，且於流動資產項下產生。已開單的完成工作之款項惟客戶仍未支付者，則計入於資產負債表應收賬款及其他應收款項項下。

(i) 存貨

存貨主要包括製成品，按成本值及可變現淨值兩者之較低者列賬。按先進先出成本法計算之成本，主要包括生產過程直接應佔開支。可變現淨值乃於一般業務過程之估計售價減任何適用之出售開支。

(j) 外幣換算

財務報表以港元列值，港元為本公司功能貨幣。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currency translation (continued)

In the separate financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement. Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rate prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

In the consolidated financial statements, all separate financial statements of the subsidiaries, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the balance sheet date. Income and expenses have been converted into HK\$ at the average rates over the reporting period. Any differences arising from this procedure have been dealt with in the exchange reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into HK\$ at the closing rate. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on disposal.

3. 重大會計政策概要 (續)

(j) 外幣換算 (續)

於綜合實體之獨立財務報表，外幣交易按於交易當日之兌換率，換算作個別實體之功能貨幣。因結算該等交易及按年終之匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損均於收益表確認。非貨幣項目按公允價值計量及以外幣列值，乃按釐定公允價值當日之匯率換算，並呈報作公允價值收益或虧損之一部分。按外幣之歷史成本法計量之非貨幣項目毋須作換算。

於綜合財務報表內，附屬公司所有以不同於本集團呈報貨幣呈報之單獨財務報表，均已換算為港元。資產及負債均以結算日之收市匯率換算為港元。收入與開支則按申報期之平均匯率換算為港元。該步驟產生之任何差額均須自權益內之換算儲備內處理。收購外國實體所產生之商譽及公允價值調整，視作該外國實體之資產及負債處理，並以收市匯率換算為港元。倘售外國業務，有關兌換差額於收益表確認為出售收益或虧損之一部分。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(l) Impairment testing

Property, plant and equipment, goodwill and interests in subsidiaries are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with indefinite useful life or assets not yet available for use are tested for impairment at least annually. Other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. 重大會計政策概要 (續)

(k) 現金及現金等價物

現金及現金等價物包括銀行現金及手頭現金，減須應要求償還並構成本集團現金管理之組成部份之銀行透支。

(l) 減值測試

物業、廠房及設備、商譽及於附屬公司之權益均須進行減值測試。

為評估減值，資產依據可識別之最低層次單獨現金流量（現金產生單位）歸類。因此，某些資產單獨作減值測試，而某些資產則以某一現金產生單位層級作測試。商譽會特別分配至預期受惠於相關業務合併協同效益之現金產生單位，並為管理層控制相關現金流量之本集團內最低層次。

包括無限使用年限之商譽及其他無形資產或尚未可供使用之資產之個別資產或現金產生單位至少每年進行減值測試一次。其他個別資產或現金產生單位於出現任何事件或情況變動有跡象顯示賬面值可能不可收回時進行減值測試。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) Impairment testing (continued)

An impairment loss is recognised as an expense immediately for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, which reflects market conditions less costs to sell, and value in use, which is determined based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. 重大會計政策概要 (續)

(1) 減值測試 (續)

資產或現金產生單位之賬面值超逾其可收回金額時須即時確認減值虧損為開支。可收回金額為反映市況之公允價值減出售成本與根據內部折現現金流量評估計算之使用值兩者之較高者。就獲分配商譽之現金產生單位所確認之減值虧損初步計入商譽之賬面值。任何剩餘減值虧損按比例自現金產生單位之其他資產中扣除。

商譽減值虧損不會於往後期間撥回。至於其他資產，倘釐定資產之可收回金額時所用之估計有變，而只有在資產賬面值並無超逾未有確認減值虧損時可能釐定之賬面值（扣除折舊或攤銷）的情況下，減值虧損方會予以撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions and contingent liabilities

Provisions are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, provided a reliable estimate in respect of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 重大會計政策概要 (續)

(m) 撥備及或然負債

倘本集團因過往之事件負上法律或推定責任，且可能須動用經濟利益以履行責任並得以可靠釐定所承擔之數額，則於資產負債表確認撥備。倘貨幣時間價值重大，則按預期履行有關承擔所需開支之現值撥備。

所有撥備於每一結算日檢討及作出調整，以反映當時之最佳估計。

倘須動用經濟效益的可能性較低，或未能可靠計算所承擔之數額，便會將該承擔列為或然負債。視乎某宗或多宗未來事件會否發生才能確定存在與否的潛在義務，亦會披露為或然負債，除非這類資源外流的可能性甚低，否則亦列為或然負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits

(i) Defined contribution plan

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 in Hong Kong 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.

(ii) Short-term employee benefits

Short-term employee benefits are recognised when they accrue to employees. In particular, a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Non-accumulating compensated absences are not recognised until the time of leave.

3. 重大會計政策概要 (續)

(n) 僱員福利

(i) 定額供款計劃

本集團根據強制性公積金計劃條例，為合資格參加強積金計劃之香港僱員，推行定額供款強制性公積金退休福利計劃（「強積金計劃」）。按僱員基本薪酬之某百分比作出供款，並於按照強積金計劃之規則應付有關供款時，於損益表支銷。強積金計劃之資產與本集團之資產分開，由獨立管理基金管理。本集團之僱主供款於向強積金計劃作出供款時全部歸僱員所有。

(ii) 短期僱員福利

短期僱員福利於僱員有權享用時確認。特別是，就僱員直至結算日所提供之服務而享有之估計年假均會作出撥備。不能累積之補假，並不會在休假前作出確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

(iii) *Share-based employee compensation*

The Group operates certain share option schemes for the purpose of recognising and acknowledging the contributions that its employees (including directors) and other person (the “eligible participants”) have made to the Group. Eligible participants receive remuneration in the form of share-based compensation, whereby eligible participants render services as consideration for equity instrument (“equity-settled transactions”).

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date the options are granted excluding the impact of any non-market vesting conditions.

3. 重大會計政策概要 (續)

(n) 僱員福利 (續)

(iii) 以股份支付僱員補償

本集團推行若干購股權計劃，以達到對其僱員（包括董事）及其他人士（「合資格參加者」）對本集團所作出的貢獻以示肯定及感謝。合資格參加者會收到以股權支付補償作為酬金，據此，合資格參加者提供服務以作為股權工具之代價（「股權結算交易」）。

與合資格參加者進行股權結算交易之成本，乃參考於購股權授出當日之公允價值，並扣除任何非市場歸屬之影響。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

(iii) Share-based employee compensation (continued)

The cost of equity-settled transactions is recognised as an expense in income statement on straight-line basis over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No expense is recognised for remuneration that do not ultimately vest, except for remuneration where vesting is conditional upon a market condition, which is treated as vesting irrespective of whether or not the market condition is satisfied, provided other performance conditions are satisfied.

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

3. 重大會計政策概要 (續)

(n) 僱員福利 (續)

(iii) 以股份支付僱員補償 (續)

根據對預計歸屬之購股權數目之最佳估計，股權結算交易之成本按直線法於歸屬期於損益表中確認為開支。作出有關預期變成可行使之購股權數目之假設時，非市場歸屬條件會被納入考慮。倘有跡象顯示預期歸屬之購股權數目與原估計不一，則於其後修訂估計。就最終並無歸屬之酬金概無確認開支，惟於市場條件下歸屬為有條件之酬金除外，在其他績效條件均已履行之情況下，不管市場條件是否已履行，均視作已歸屬。

行使購股權時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權遭沒收或於到期仍未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial liabilities

The Group's financial liabilities include trade and other payables and borrowings.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

- (i) Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.
- (ii) Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the other loans using the effective interest method.

3. 重大會計政策概要 (續)

(o) 金融負債

本集團之金融負債包括應付賬款及其他應付款項及借貸。

金融負債於本集團成為工具合約協議一方時確認。所有與利息相關之支出均於損益表中確認為融資成本開支。

除非本集團具有無條件權利遞延負債結算至於結算日後最少12個月，否則金融負債均分類為流動負債。

- (i) 應付賬款及其他應付款項初步按公允價值確認，其後則以實際利率法按攤銷成本計量。
- (ii) 借貸初步按公允價值確認，當中扣除所產生之交易成本。借貸其後按攤銷成本列賬，而所得款項（已扣除交易成本）與贖回價之間之任何差異則於借貸期限內使用實際利率法確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Accounting for income tax

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. 重大會計政策概要 (續)

(p) 所得稅之會計方法

所得稅包括本期稅項及遞延稅項。

本期所得稅資產及/或負債包括本期或以往報告期(且於結算日尚未支付)向稅務當局繳納稅金之責任或來自稅務當局之索償,其乃根據年內應課稅溢利,按有關財政期間之適用稅率及稅法計算。流動稅項資產或負債之變動均作為損益表中稅項開支一部份。

遞延稅項乃按於結算日資產及負債於財務報表之賬面值與其各自之稅基之暫時差異以負債法計算。遞延稅項負債一般就所有應課稅暫時差異確認。倘可能出現可供動用之可扣減暫時性差異、未動用稅項虧損及未動用稅務抵免,則就所有可結轉之可扣減暫時性差異、未動用稅項虧損以及其他未動用稅務抵免確認遞延稅項資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Accounting for income tax (continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3. 重大會計政策概要 (續)

(p) 所得稅之會計方法 (續)

倘商譽或初步確認(業務合併除外)某交易之資產負債產生之暫時性差異對應課稅或會計損益無影響,則不確認遞延稅項資產及負債。

除非本集團可控制有關暫時性差異之回撥或暫時性差異在可見將來都不能回撥的情況下,由投資附屬公司所產生之暫時性差異,其遞延稅項負債均需予以確認。

遞延稅項乃不作貼現按預期於結清負債或變現資產之期間之稅率計算,惟該等稅率於結算日須為已實施或大部分實施。

遞延稅項資產或負債之變動於損益賬確認,或倘其與直接於權益支銷或計入之項目有關,則於權益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income recognition

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

- (i) Fees from financial advisory services including investment advisory fee, referral fee and placement fee are recognised when the relevant services are rendered.
- (ii) Interest income is recognised on a time-proportion basis by reference to the principal outstanding and at the effective interest rate applicable.
- (iii) Revenue from long-term service contracts in respect of photovoltaic business is recognised according to the percentage of completion of individual contract at the balance sheet date (see note 3(h) above for details).

Income from secondment services is recognised when the relevant services are rendered.

(r) Borrowing costs

All borrowing costs are expensed as incurred.

3. 重大會計政策概要 (續)

(q) 收入確認

當本集團可能獲得有關經濟利益，並可按下列基準可靠計量出有關收益時，收益將予確認：

- (i) 財務顧問服務費(包括投資顧問費、轉介費及配售服務費)之費用，於提供相關服務時獲確認。
- (ii) 利息收入，乃參考未償還本金按時間比例及以適用之實際利率確認。
- (iii) 有關光伏業服之長期服務合約收入，乃按於結算日個別合約之完成百分比予以確認(詳情請參閱上文附註3(h))。

借調服務收入於提供有關服務時確認。

(r) 借貸成本

所有借貸成本於產生時支銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Related parties

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

- (i) directly, or indirectly through one or more intermediaries, the party (1) controls, is controlled, or is under common control with, the Company/Group; (2) has an interest in the Company that gives it significant influence over the Company/Group; or (3) has joint control over the Company/Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) 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 (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company/Group, or of any entity that is a related party of the Company/Group.

3. 重大會計政策概要 (續)

(s) 關連人士

以下人士被視為本集團之關連人士：

- (i) 該人士直接或間接透過一位或多位中介者(1)控制本公司／本集團，或受本公司／本集團所控制，或與本公司／本集團受共同控制；(2)持有本公司之權益以至足以對本公司／本集團產生重大之影響力；或(3)擁有本公司／本集團之共同控制權；
- (ii) 該人士為聯營公司；
- (iii) 該人士為共同控制實體；
- (iv) 該人士為本公司或其母公司之主要管理層成員；
- (v) 該人士為(i)或(iv)項所提及之任何人士之直系家屬；
- (vi) (iv)或(v)項所述任何人士直接或間接地控制或共同控制該人士，或直接或間接地對該等人士構成重大之影響，或直接或間接地擁有該人士之重大投票權；或
- (vii) 該人士乃本公司／本集團或與本公司／本集團有關連之實體為其僱員而設之離職後福利計劃。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Equity

Ordinary shares are classified as equity. Share capital is determined using the nominal value shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental cost directly attributable to the equity transaction.

Warrant reserve is determined using the issue price of the warrants that have been issued.

(u) Segments

In accordance with the Group's internal financial reporting, the Group has determined that business segments (as defined in note 6) be presented as the primary reporting format and geographical segments as the secondary reporting format.

3. 重大會計政策概要 (續)

(t) 權益

普通股乃分類作權益。股本乃按已發行股份之面值釐定。

任何與發行股份有關之交易成本會自股份溢價中扣除(減去任何相關所得稅利益)，惟以權益交易直接應佔之增加成本為限。

認股權證儲備乃按已發行認股權證之發行價釐定。

(u) 分部

按照本集團內部財務報告制度，本集團決定以業務分類為首要報告方式(定義見附註6)，地區分類為次要報告方式。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segments (continued)

In respect of business segment reporting, unallocated costs mainly represent corporate expenses. Segment assets consist primarily of goodwill, property, plant and equipment, inventories, unbilled revenue from long-term service contracts, financial assets at fair value through profit or loss, receivables and operating cash. Segment liabilities comprise trade and other payables and borrowings. Unallocated assets and liabilities mainly comprise corporate assets and liabilities which include non-operating cash and borrowings.

Capital expenditure comprises additions to property, plant and equipment, including additions resulting from acquisition of subsidiary.

In respect of geographical segment reporting, revenue are based on the country where contract is signed, while assets and capital expenditure are attributed to segments based on the location of the assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. 重大會計政策概要 (續)

(u) 分部 (續)

進行業務分部報告時，未分配成本主要指公司開支。分部資產主要包括商譽、物業、廠房及設備、存貨、未入賬之長期服務合約收入、以公允價值列入損益賬之金融資產、應收賬款及經營現金。分類負債包括應付賬款及其他應付賬款及借貸。未分配資產及負債主要包括企業資產及負債（包括非經營現金及借貸）。

資本開支包括添置物業、廠房及設備，包括收購附屬公司而產生之添置項目。

進行地區分部報告時，收入按合約簽置所在國家歸類，而資產及資本開支則按資產所在地歸類。

4. 關鍵之會計估計及判斷

本集團會持續評估估計及判斷，並依據過往之經驗及其他因素，包括在該等情況下合理相信會發生之未來事件。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Long-term service contracts

Revenue from long-term service contracts is recognised according to the percentage of completion of individual contract. When foreseeable loss in respect of a particular contract is identified, such loss is recognised as an expense in the income statement immediately. The percentage of completion and foreseeable loss of individual contract are determined based on budget of the contract which is prepared by the management of the Group based on the overall estimated performance of the contract. In order to keep the budget accurate and up-to-date, management reviews the budget frequently, in particular the total estimated contract costs, and revise the budget if necessary.

(b) Impairment of receivables

Provision for impairment of receivables is determined by management based on the credit history of its customers, availability of securities and/or undertakings and the current market condition. It could change significantly as a result of changes in the financial position of the customers. Management would re-assess the amount of impairment provision of receivables, if any, at each balance sheet date.

4. 關鍵之會計估計及判斷 (續)

本集團就未來作出估計及假設，而所得出的會計估計難免偏離實際的相關業績，以下所述為有相當風險的估計及假設，可導致須於下一個財政年度對資產與負債之賬面值作重大調整：

(a) 長期服務合約

長期服務合約收入乃按個別合約的完成百分比予以確認。倘某一合約確認有可預期虧損，有關虧損即時於損益表確認支銷。個別合約之完成百分比及可預期虧損，乃按該合約之預算而釐定，而該預算乃由本集團管理層基於該合約之整體估計表現而編製。為令預算保持準確及為最新的，管理層會經常審閱預算，尤其是估計合約總成本，如有必要，並會修訂預算。

(b) 應收賬款減值

應收賬款減值撥備乃按其客戶之信貸歷史、抵押品及／或承諾之可動用程度及當時市場狀況釐定，可因客戶財務狀況轉變而有重大變動。管理層會於每一結算日重新評估應收賬款減值撥備數額（如有）。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Impairment of goodwill

The Group tests at least annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3(1). Other assets are reviewed for impairment whenever events or charges in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of judgement and estimates of the future cash flows expected to arise from the asset or the cash-generating unit and the suitable discount rate in order to calculate the present value.

(d) Valuation of convertible notes

The Group's management determined the fair values of the liability components of the convertible notes by using the income approach which is conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the non-convertible notes than an amount equal to the present worth of anticipated future benefits (income) from the same or substantially similar non-convertible notes with a similar risk profile.

4. 關鍵之會計估計及判斷 (續)

(c) 商譽減值

本集團按照附註3(1)所載之會計政策，最少每年一次測試商譽有否減值。其他資產則當出現事件或情況改變顯示資產的賬面值超過其應收回款項時，進行減值復核。資產或現金產生單位的應收回款項已按使用價值計算。該等計算須運用對預期產生自資產或現金產生單位之未來現金流量及合適之貼現率之判斷及估計，以計算現值。

(d) 可換股票據之估值

本集團管理層使用收入法以釐定可換股票據負債部分之公允價值，即現金產生單位已按使用價值計算法釐定。釐定公允價值的原則為知情買家所支付不可換股債券或有同類風險結構且基本上類似的不可換股債券的價格不會高於預期未來利益(收入)現值。

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5. REVENUE

Revenue, which is also the Group's turnover, represents value of services rendered and interest income earned from money lending. An analysis of revenue is as follows:

		2006 HK\$'000 二零零六年 千港元	Restated 2005 HK\$'000 經重列 二零零五年 千港元
Financial advisory services	財務顧問服務	813	715
Interest income	利息收入	3,816	3,054
Long-term service contracts	長期服務合約	7,725	–
		12,354	3,769

Note:

The gross proceeds from the sale of trading securities for the year amounted to HK\$23,012,000 (2005: HK\$44,405,000). Upon adoption of HKAS 1 "Presentation of Financial Statements", the amount is excluded from the revenue for the year. The comparative figure for 2005 has been reclassified to conform with current year's presentation.

The results arising from the fair valuation of trading securities is now shown separately in the consolidated income statement under "Fair value gain on financial assets at fair value through profit or loss/Unrealised loss on trading securities at fair value".

5. 收入

收入，即本集團的營業額，乃提供服務之價值及賺取自貸款之利息收入。收入之分析如下：

	2006 HK\$'000 二零零六年 千港元	Restated 2005 HK\$'000 經重列 二零零五年 千港元
Financial advisory services	813	715
Interest income	3,816	3,054
Long-term service contracts	7,725	–
	12,354	3,769

附註：

年內交易證券銷售所得款項總額為23,012,000港元(二零零五年：44,405,000港元)。於採納香港會計準則第1號「財務報表的呈報」後，該款項並不計入本年度收入。二零零五年的比較數字已重新分類，以符合本年度的呈報。

交易證券之公允估值所產生之結果現獨立顯示於綜合收益表「以公允價值列入損益賬之金融資產之公允價值收益／按公允價值列賬之交易證券未變現虧損」項下。

6. SEGMENT REPORTING

In accordance with the Group's internal financial reporting, the Group has determined that business segments are its primary reporting format, with each segment organised and managed separately.

(a) Business segments

The Group is organised into three main business segments:

- Strategic investments and capital market activities – Participation in primary and secondary securities market and provision of capital market advisory services
- Financing – Provision of commercial and personal loans
- Photovoltaic business – Development, manufacturing, marketing and sales of solar cells, modules and panels for generating solar electric power and related training and consulting services

There are no significant sales or other transactions between the business segments.

6. 分部呈報

根據本集團內部財務申報制度，本集團決定以業務分部為其主要呈報方式，各分部之組織及管理均為獨立。

(a) 業務分部

本集團由三個主要業務分部組成：

- 策略性投資及資本市場活動 – 參與主要及次要證券市場顧問服務
- 融資 – 提供商業及個人貸款
- 光伏業務 – 太陽能發電之光伏太陽能電池、組件、控電板等之開發、生產、營銷及銷售，以及有關之培訓及顧問服務

業務分部間並無重大銷售或其他交易。

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6. SEGMENT REPORTING (continued)

(a) Business segments (continued)

		Strategic investments and capital market activities 策略性投資及 資本市場活動		Financing 融資		Photovoltaic business 光伏業務		Unallocated 未分配		Consolidated 綜合	
		2006 HK\$'000 二零零六年 千港元	Restated 2005 HK\$'000 經重列 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	Restated 2005 HK\$'000 經重列 二零零五年 千港元
Revenue from external customers	來自外界客戶之收入	813	715	3,816	3,054	7,725	-	-	-	12,354	3,769
Segment result	分部業績	(46,845)	(23,148)	(10,677)	3,066	(3,888)	-	-	-	(61,410)	(20,082)
Unallocated operating expenses, net	未分配經營開支淨額									(35,377)	(354,807)
Loss from operations	經營虧損									(96,787)	(374,889)
Finance costs	融資成本									(536)	(908)
Non-operating income	非經營收入									-	1
Loss before income tax	除所得稅前虧損									(97,323)	(375,796)
Income tax expense	所得稅開支									(118)	(517)
Loss for the year	年內虧損									(97,441)	(376,313)
Total assets	資產總值	16,404	66,885	20,902	31,023	181,218	-	148,198	7,842	366,722	105,750
Total liabilities	負債總額	(4,876)	(6,780)	(15)	(532)	(2,298)	-	(27,078)	(12,503)	(34,267)	(19,815)
Depreciation	折舊	-	-	-	-	110	-	12	1	122	1
Amortisation of goodwill	商譽減值	-	2,712	-	-	-	-	-	-	-	2,712
Capital expenditure	資本開支	106	-	-	-	12,185	-	-	-	12,291	-
Impairment provision of receivables	應收款項減值撥備	-	1,476	14,435	-	-	-	4,672	350,000	19,107	351,476
Impairment of goodwill	商譽減值	47,890	-	-	-	-	-	-	-	47,890	-
Fair value gain on financial assets at fair value through profit or loss (unrealised loss on trading securities at fair value)	按公允價值列入損益賬之金融資產公允價值收益(按公允價值列賬之交易證券未變現虧損)	4,880	(15,447)	-	-	-	-	-	-	4,880	(15,447)

6. 分部呈報 (續)

(a) 業務分部 (續)

6. SEGMENT REPORTING (continued)

(b) Geographical segments

The Group participates principally in China and the United States (“US”).

6. 分部呈報 (續)

(b) 地區分部

本集團主要在中國及美國經營。

		Hong Kong		Other areas of China		US		Consolidated	
		香港		中國其他地區		美國		綜合	
		Restated						Restated	
		2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		經重列						經重列	
		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
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自外界客戶之收入	4,629	3,769	-	-	7,725	-	12,354	3,769
Segment assets	分部資產	185,504	104,362	-	1,388	181,218	-	366,722	105,750
Capital expenditure	資本開支	106	-	-	-	12,185	-	12,291	-

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7. OTHER INCOME

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Secondment services	借調服務	2,628	1,613
Interest income	利息收入	60	1
Others	其他	16	64
		<u>2,704</u>	<u>1,678</u>

7. 其他收入

8. LOSS FROM OPERATIONS

		2006 HK\$'000 二零零六年 千港元	Restated 2005 HK\$'000 經重列 二零零五年 千港元
Loss from operations is arrived at after charging/ (crediting):	經營虧損經扣除/ (計入) 下列各項:		
Auditors' remuneration	核數師酬金		
– current	– 本期	680	390
– over provision in prior year	– 以往年度超額撥備	(36)	(108)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	66	–
Operating lease charges in respect of land and buildings	土地及樓宇之經營租賃費用	1,208	306
Amount recognised as expenses for defined contribution retirement benefit schemes (included in staff costs)	確認為定額供款退休福利計劃開支之款額 (計入員工成本)	144	115
		<u>144</u>	<u>115</u>

8. 經營虧損

9. FINANCE COSTS

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Interest charges on:	支付以下利息：		
Convertible notes	可換股票據	-	518
Other loans	其他貸款	536	390
		<u>536</u>	<u>908</u>

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year.

No provision for income tax outside Hong Kong has been made (2005: Nil) as the companies comprising the Group operated outside Hong Kong either sustained a loss for taxation purpose or had a tax exemption.

9. 融資成本

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Interest charges on:	支付以下利息：		
Convertible notes	可換股票據	-	518
Other loans	其他貸款	536	390
		<u>536</u>	<u>908</u>

10. 所得稅開支

香港利得稅乃根據年內估計應課稅溢利按17.5% (二零零五年: 17.5%) 之稅率作出撥備。

由於組成本集團而於海外經營之公司在計算稅項方面錄得虧損或享有稅項豁免，因此並無就香港以外地區所得稅作出撥備 (二零零五年: 無)。

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Current tax – Hong Kong income tax for the year	當期稅項－香港 年內所得稅	<u>118</u>	<u>517</u>

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10. INCOME TAX EXPENSE (continued)

Reconciliation between tax expense and accounting profit or loss at applicable tax rates is as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Loss before income tax	除所得稅前虧損	(97,323)	(375,796)
Tax effect on loss before income tax calculated at rates applicable to profit or loss in the tax jurisdiction concerned	按適用於有關稅務司法管轄區損益賬之稅率計算之除所得稅前虧損之稅務影響	(17,998)	(65,764)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	15,222	66,919
Tax effect of non-taxable revenue	非課稅收入之稅務影響	(1,057)	(1,011)
Tax losses utilised	已動用稅務虧損	-	(20)
Tax effect of current year's tax losses not recognised	未確認本年度稅務虧損之稅務影響	3,952	393
Other temporary differences not recognised	其他未確認暫時性差異	(1)	-
Actual tax expense	實際稅項開支	118	517

10. 所得稅開支 (續)

稅項開支與按適用稅率計算之會計溢利或虧損之對賬如下：

10. INCOME TAX EXPENSE (continued)

The Group has deferred tax assets of HK\$7,361,000 (2005: HK\$3,684,000) arising from estimated tax losses of approximately HK\$36,544,000 (2005: HK\$21,051,000). The deferred tax assets have not been recognised as it is uncertain whether future taxable profit will be available for utilising the tax losses. The estimated tax losses incurred in Hong Kong amounting to HK\$32,733,000 can be carried forward indefinitely and the estimated tax losses incurred in US amounting to HK\$3,811,000 will expire in the financial year 2026.

At the balance sheet dates, the Group and the Company did not have any significant deferred tax liabilities.

11. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss attributable to equity holders of the Company of HK\$95,506,000 (2005: HK\$376,313,000), a loss of HK\$35,701,000 (2005: HK\$355,125,000) has been dealt with in the financial statements of the Company.

10. 所得稅開支 (續)

本集團產生自約36,544,000港元(二零零五年:21,051,000港元)估計稅務虧損之遞延稅項資產為7,361,000港元(二零零五年:3,684,000港元)。遞延稅項資產並未確認,乃因未確定未來應課稅溢利是否可動用稅務虧損。香港之估計稅務虧損為32,733,000港元,該等虧損可無限期結轉,而美國之估計稅務虧損3,811,000港元將於二零二六年財政年度屆滿。

於結算日,本集團及本公司概無任何重大遞延稅項負債。

11. 本公司權益持有人應佔虧損

於本公司權益持有人應佔綜合虧損95,506,000港元(二零零五年:376,313,000港元)中,一筆虧損35,701,000港元(二零零五年:355,125,000港元)已於本公司財務報表中處理。

Notes to the Financial Statements 財務報表附註

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

12. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 March 2006 (2005: Nil) and the Company did not pay any interim dividend during the year.

13. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company of HK\$95,506,000 (2005: HK\$376,313,000) and the weighted average number of ordinary shares of 2,873,962,000 (2005: 2,085,407,000) in issue during the year.

(b) Diluted loss per share

No diluted loss per share has been presented as the options and warrants of the Company and the options of a subsidiary as mentioned in note 29 which were outstanding as at 31 March 2006 and 31 March 2005 and during the respective financial years, had an anti-dilutive effect to the Group's loss per share.

12. 股息

截至二零零六年三月三十一日止年度，董事並不建議派付股息（二零零五年：無），而本公司於年內並未派付任何中期股息。

13. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人應佔年內虧損95,506,000港元（二零零五年：376,313,000港元）及年內已發行普通股之加權平均數2,873,962,000股（二零零五年：2,085,407,000股）計算。

(b) 每股攤薄虧損

附註29所述於二零零六年三月三十一日及二零零五年三月三十一日及於有關財政年度內，尚未行使之本公司購股權及認股權證及一間附屬公司之購股權對本集團之每股虧損具反攤薄影響，故並無呈列每股攤薄虧損。

14. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS

Details of the remuneration paid by the Group to the directors and the five highest paid individuals (including directors and employees) for the year are as follows:

(a) Directors' emoluments

		Salaries, Retirement allowances and benefits				Total
		Fees	in kind	benefit scheme contributions	Share based compensation	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		袍金	實物利益	退休福利計劃供款	以股權支付補償	總計
		千港元	千港元	千港元	千港元	千港元
2006	二零零六年					
Executive Directors	執行董事					
Mr. Chan Wai Kwong, Peter	陳為光先生	-	603	12	87	702
Mr. Chan How Chung, Victor	陳孝聰先生	-	-	-	-	-
Mr. Lee Huei Lin	李慧玲女士	-	-	-	236	236
Mr. Chu Chik Ming, Jack	朱植明先生	-	55	-	87	142
Mr. Pierre Seligman	Pierre Seligman先生	-	271	-	140	411
Non-Executive Director	非執行董事					
Dr. Zoltan J. Kiss	Dr. Zoltan J. Kiss	-	215	-	-	215
Independent Non-Executive Directors	獨立非執行董事					
Mr. Chow Siu Ngor	鄒小岳先生	80	-	-	-	80
Mr. Yin Tat Man	袁達文先生	40	-	-	-	40
Mr. Chan Pei Cheong, Andy	陳庇昌先生	6	-	-	-	6
Mr. Tam Kam Biu, William	譚錦標先生	40	-	-	-	40
		166	1,144	12	550	1,872

14. 董事及高級管理層酬金

本集團於年內支付董事及五位最高酬金人士(包括董事及僱員)之詳情如下:

(a) 董事酬金

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

14. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

		Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		袍金	薪酬、津貼及實物利益	退休福利計劃供款	總計
		千港元	千港元	千港元	千港元
2005	二零零五年				
Executive Directors	執行董事				
Mr. Chan Wai Kwong, Peter	陳為光先生	-	591	12	603
Mr. Chan How Chung, Victor	陳孝聰先生	-	-	-	-
Mr. Lee Huei Lin	李慧玲女士	-	-	-	-
Mr. Chu Chik Ming, Jack	朱植明先生	-	-	-	-
Mr. Pierre Seligman	Pierre Seligman先生	-	-	-	-
Independent Non-Executive Directors	獨立非執行董事				
Mr. Chow Siu Ngor	鄒小岳先生	80	-	-	80
Mr. Tin Luen Huel, Stephen	丁良輝先生	40	-	-	40
Mr. Yin Tat Man	袁達文先生	40	-	-	40
Mr. Chan Pei Cheong, Andy	陳庇昌先生	40	-	-	40
		200	591	12	803

No director waived or agreed to waive any emoluments in respect of the years ended 31 March 2006 and 2005.

14. 董事及高級管理層酬金 (續)

(a) 董事酬金 (續)

	Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	袍金	薪酬、津貼及實物利益	退休福利計劃供款	總計
	千港元	千港元	千港元	千港元
2005				
Executive Directors				
Mr. Chan Wai Kwong, Peter	-	591	12	603
Mr. Chan How Chung, Victor	-	-	-	-
Mr. Lee Huei Lin	-	-	-	-
Mr. Chu Chik Ming, Jack	-	-	-	-
Mr. Pierre Seligman	-	-	-	-
Independent Non-Executive Directors				
Mr. Chow Siu Ngor	80	-	-	80
Mr. Tin Luen Huel, Stephen	40	-	-	40
Mr. Yin Tat Man	40	-	-	40
Mr. Chan Pei Cheong, Andy	40	-	-	40
	200	591	12	803

概無董事放棄或同意放棄任何截至二零零六年及二零零五年三月三十一日止年度之酬金。

14. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group for both years included one director whose emolument has been disclosed above. The emoluments paid to the remaining four highest paid, non-director individuals are as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	2,892	1,507
Retirement benefit scheme contributions	退休福利計劃供款	23	39
Share based compensation	以股權支付補償	2,752	-
		5,667	1,546

The emoluments of the above four highest paid, non-director individuals are within the following bands:

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
Nil – HK\$1,000,000	零元至1,000,000港元	2	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
		1	-

(c) During the years ended 31 March 2006 and 2005, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 董事及高級管理層酬金 (續)

(b) 五名最高酬金人士

兩個年度內，本集團五位最高酬金人士之中包括一位董事，其酬金已載於上文。其餘四位最高酬金及非董事人士如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	2,892	1,507
Retirement benefit scheme contributions	退休福利計劃供款	23	39
Share based compensation	以股權支付補償	2,752	-
		5,667	1,546

上述四位最高酬金及非董事人士之酬金範圍如下：

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
Nil – HK\$1,000,000	零元至1,000,000港元	2	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
		1	-

(c) 截至二零零六年及二零零五年三月三十一日止年度間，本集團概無向董事或五位最高酬金人士中之任何人士支付作為加入本集團之獎勵或作為離職補償之酬金。

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15. PROPERTY, PLANT AND EQUIPMENT

Group

		15. 物業、廠房及設備			
		本集團			
		Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
		傢俬、裝置 及設備	廠房及機器	裝修	總計
		千港元	千港元	千港元	千港元
At 1 April 2004	於二零零四年四月一日				
Cost	成本	733	-	-	733
Accumulated depreciation	累計折舊	(729)	-	-	(729)
Net book amount	賬面淨值	4	-	-	4
For the year ended 31 March 2005	截至二零零五年 三月三十一日止年度				
Net book amount at 1 April 2004	於二零零四年四月一日 之賬面淨值	4	-	-	4
Depreciation	折舊	(1)	-	-	(1)
Net book amount at 31 March 2005	於二零零五年 三月三十一日之賬面淨值	3	-	-	3
At 31 March 2005	於二零零五年三月三十一日				
Cost	成本	734	-	-	734
Accumulated depreciation	累計折舊	(731)	-	-	(731)
Net book amount	賬面淨值	3	-	-	3
For the year ended 31 March 2006	截至二零零六年 三月三十一日止年度				
Net book amount at 1 April 2005	於二零零五年四月一日 之賬面淨值	3	-	-	3
Acquisition of subsidiaries (note 32)	收購附屬公司 (附註32)	160	10,258	66	10,484
Additions	添置	373	981	453	1,807
Disposals	出售	-	-	(66)	(66)
Depreciation	折舊	(73)	(49)	-	(122)
Net book amount at 31 March 2006	於二零零六年三月三十一日 之賬面淨值	463	11,190	453	12,106
At 31 March 2006	於二零零六年三月三十一日				
Cost	成本	1,267	11,239	453	12,959
Accumulated depreciation	累計折舊	(804)	(49)	-	(853)
Net book amount	賬面淨值	463	11,190	453	12,106

15. PROPERTY, PLANT AND EQUIPMENT
(continued)

15. 物業、廠房及設備 (續)

Company

本公司

		Furniture, fixtures and equipment HK\$'000 傢俬、裝置及設備 千港元
Net book amount	賬面淨值	
At 1 April 2005	於二零零五年四月一日	—
Additions	添置	53
Depreciation	折舊	(8)
At 31 March 2006	於二零零六年三月三十一日	<u>45</u>
At 31 March 2006	於二零零六年三月三十一日	
Cost	成本	53
Accumulated depreciation	累計折舊	(8)
		<u>45</u>

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

16. GOODWILL

16. 商譽

		Group HK\$'000 本集團 千港元
31 March 2006	於二零零六年三月三十一日	
Gross amount at 1 April 2005 as previously reported	於二零零五年四月一日之總值 如以往呈報	54,218
effect of adopting HKFRS 3 (note 2.1(c))	採納香港財務報告準則第3號之影響 (附註2.1(c))	(6,328)
as restated	經重列	47,890
Acquisition of subsidiaries (note 32)	收購附屬公司 (附註32)	140,575
Gross amount at 31 March 2006	於二零零六年三月三十一日之總值	188,465
Accumulated amortisation at 1 April 2005 as previously reported	於二零零五年四月一日之累計攤銷 如以往呈報	6,328
effect of adopting HKFRS 3 (note 2.1(c))	採納香港財務報告準則第3號之影響 (附註2.1(c))	(6,328)
as restated	經重列	-
Impairment recognised	已確認減值	(47,890)
Accumulated impairment at 31 March 2006	於二零零六年三月三十一日之 累計減值	(47,890)
Net carrying amount at 31 March 2006	於二零零六年三月三十一日之賬面淨值	140,575
31 March 2005	於二零零五年三月三十一日	
Gross amount at 1 April 2004 and at 31 March 2005	於二零零四年四月一日及 二零零五年三月三十一日之總值	54,218
Accumulated amortisation At 1 April 2004	累計攤銷 於二零零四年四月一日	3,616
Amortisation	攤銷	2,712
At 31 March 2005	於二零零五年三月三十一日	6,328
Net carrying amount at 31 March 2005	於二零零五年三月三十一日之賬面淨值	47,890

16. GOODWILL (continued)

Prior to 1 April 2005, goodwill was amortised on a straight-line basis over estimated useful life of 20 years.

Goodwill arising from the acquisition of a subsidiary engaging in provision of capital market advisory services was impaired during the year. In view of increasing competition in the capital market and uncertain future prospect of the subsidiary, the directors has assessed that full provision is required in respect of the net carrying amount of the goodwill amounting to HK\$47,890,000 as at 1 April 2005.

The amount of goodwill as at 31 March 2006 is allocated to the business segment of photovoltaic business (the cash-generating unit or “CGU”) and is tested for impairment by estimating the recoverable amount of the CGU based on value in use calculations. The calculations use cash flow projections based on financial budgets approved by the management covering a period of 4 years. The discount rate applied to the cash flow projections is 20%. Based on the results of the impairment testing, management determines that there is no impairment of the goodwill attributable to that CGU.

16. 商譽 (續)

於二零零五年四月一日前，商譽按二十年估計可使用年期以直線法攤銷。

收購一間從事資本市場顧問服務提供之附屬公司所產生之商譽，於年內減值。鑒於資本市場競爭加劇及該附屬公司未來前景不明朗，董事已評估於二零零五年四月一日，須就有關商譽之賬面淨值共47,890,000港元作出全面撥備。

於二零零六年三月三十一日之商譽款項分配至光伏業務之業務分部（「現金產生單位」），並透過按使用價值計算法估計現金產生單位之可收回金額以作減值測試。現金流量預測之計算乃根據經管理層通過之涵蓋四年期之財務預算，就現金流量預測所採用之貼現率為20%。根據減值測試結果，管理層確定現金產生單位並無應佔之商譽減值。

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17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司投資

		Company 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Unlisted shares, at cost	未上市股份，按成本值入賬	157,910	1

Particulars of the subsidiaries at 31 March 2006 are as follows:

於二零零六年三月三十一日有關附屬公司之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued share capital 已發行股本	Percentage of issued capital held 持有已發行股本百分比	Principal activities 主要業務
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Interest held directly

直接持有權益

REXCAPITAL Group Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股
Golden Chino Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Participation in primary and secondary securities market 參與主要及次要證券市場活動

17. INVESTMENTS IN SUBSIDIARIES (continued)

17. 於附屬公司投資 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued share capital 已發行股本	Percentage of issued capital held 持有已發行 股本百分比	Principal activities 主要業務
<i>Interest held directly</i> 直接持有權益				
Eaglefly Technology Limited (Note (a)) (附註(a))	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股
China Solar Energy Group Limited (Note (b)) (附註(b))	Hong Kong 香港	1 ordinary share of HK\$1 each 1股普通股 每股1港元	100%	Provision for management services 提供管理股務
China Solar Energy Development Limited (Note (b)) (附註(b))	Hong Kong 香港	1 ordinary share of HK\$1 each 1股普通股 每股1港元	100%	Inactive 非活躍

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17. INVESTMENTS IN SUBSIDIARIES (continued)

17. 於附屬公司投資 (續)

Name	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued share capital 已發行股本	Percentage of issued capital held 持有已發行股本百分比	Principal activities 主要業務
<i>Interest held indirectly</i> 簡接持有權益				
REXCAPITAL (Hong Kong) Limited 御泰融資(香港)有限公司	Hong Kong 香港	10,000,000 ordinary shares of HK\$1 each 10,000,000股 普通股每股1港元	100%	Provision of investment advisory services 提供投資顧問服務
REXCAPITAL Enterprises Limited 御泰企業有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股普通股 每股1港元	100%	Provision of management services 提供管理服務
D & M Finance Limited	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股普通股 每股1港元	100%	Money lending 貸款
REXCAPITAL Technology Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股
REXCAPITAL Financial Services Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股

17. INVESTMENTS IN SUBSIDIARIES (continued)

17. 於附屬公司投資 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued share capital 已發行股本	Percentage of issued capital held 持有已發行 股本百分比	Principal activities 主要業務
<i>Interest held indirectly</i> 簡接持有權益				
REXCAPITAL Strategic Investments Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股
REXCAPITAL Management Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Investment holding 投資控股
Capital View Investments Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Provision of nominee services 提供代理人服務
Twin Star Agents Limited	British Virgin Islands 英屬處女群島	1 ordinary share of US\$1 1股普通股 每股1美元	100%	Holding nominees shares for the Group in Hong Kong 為本集團於香港持有 代理人股份

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

17. INVESTMENTS IN SUBSIDIARIES (continued)

17. 於附屬公司投資 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued share capital 已發行股本	Percentage of issued capital held 持有已發行 股本百分比	Principal activities 主要業務
<i>Interest held indirectly</i> 簡接持有權益				
REXCAPITAL Secretarial Services Limited 御泰秘書服務有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股普通股 每股1港元	100%	Provision of secretarial services 提供秘書服務
Terra Solar Global, Inc. (Notes (a) and (c)) (附註(a)及(c))	United States of America 美國	10,000 ordinary shares of US\$0.01 each 10,000股普通股 每股0.01美元	51%	Investment holding 投資控股
Terra Solar North America, Inc. (Notes (a) and (c)) (附註(a)及(c))	United States of America 美國	200 ordinary shares, no par value 200股無面值 普通股	51%	Investment holding 投資控股

Notes:

- (a) These companies were newly acquired during the year.
- (b) These companies were newly incorporated during the year.
- (c) These companies are not audited by Grant Thornton or other Grant Thornton International member.

附註:

- (a) 該等公司乃於年內新收購。
- (b) 該等公司乃於年內新註冊成立。
- (c) 該等公司並非由均富會計師行或其他Grant Thornton International成員審核。

18. INVENTORIES

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	千港元
Finished goods, at cost	製成品，按成本值入賬	519	-

19. UNBILLED REVENUE FROM LONG-TERM SERVICE CONTRACTS

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	千港元
Costs incurred to date plus recognised profits	至今已產生成本加已確認溢利	6,858	-
Less: Progress billings	減：進度付款	-	-
Less: Foreseeable losses	減：可預見虧損	-	-
		<u>6,858</u>	<u>-</u>

18. 存貨

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	千港元
Finished goods, at cost	製成品，按成本值入賬	519	-

19. 未開單長期服務合約收入

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	千港元
Costs incurred to date plus recognised profits	至今已產生成本加已確認溢利	6,858	-
Less: Progress billings	減：進度付款	-	-
Less: Foreseeable losses	減：可預見虧損	-	-
		<u>6,858</u>	<u>-</u>

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS/ INVESTMENTS IN SECURITIES

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Unlisted equity securities, at cost	未上市股本證券，按成本入賬	109,200	109,200
Less: Provision for impairment	減：減值撥備	(109,200)	(109,200)
		<u> -</u>	<u> -</u>

These assets are stated at cost less impairment as the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/TRADING SECURITIES

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市股本證券， 按公允價值入賬	<u>16,173</u>	<u>13,388</u>
Represented by:	以下列各項代表：		
Financial assets at fair value through profit or loss	以公允價值列入損益賬 之金融資產	16,173	-
Trading securities	交易證券	<u> -</u>	<u>13,388</u>

20. 可供出售金融資產／證券投資

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Unlisted equity securities, at cost	未上市股本證券，按成本入賬	109,200	109,200
Less: Provision for impairment	減：減值撥備	(109,200)	(109,200)
		<u> -</u>	<u> -</u>

由於此等資產之合理估計公允價值幅度顯著，本公司董事認為其公允價值不能可靠地予以計量，故此按成本值減減值列值。

21. 以公允價值列入損益賬之金融資產／交易證券

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市股本證券， 按公允價值入賬	<u>16,173</u>	<u>13,388</u>
Represented by:	以下列各項代表：		
Financial assets at fair value through profit or loss	以公允價值列入損益賬 之金融資產	16,173	-
Trading securities	交易證券	<u> -</u>	<u>13,388</u>

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/TRADING SECURITIES (continued)

The fair values of listed equity securities which are held for trading are based on quoted market prices.

At 31 March 2006, listed equity securities of HK\$16,173,000 (2005: HK\$11,018,000) were pledged as security for loans from securities brokers of HK\$2,802,000 (2005: HK\$2,787,000) (note 27).

22. TRADE AND OTHER RECEIVABLES

21. 以公允價值列入損益賬之金融資產／交易證券（續）

已上市之持作買賣股本證券之公允價值乃按所報市價計算。

於二零零六年三月三十一日，已上市股本證券為16,173,000港元（二零零五年：11,018,000港元），已抵押給證券商以作貸款共2,802,000港元（二零零五年：2,787,000港元）（附註27）。

22. 應收賬款及其他應收款項

		Group 本集團		Company 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Trade receivables (note (i))	應收賬款 (附註(i))	36,397	31,187	-	-
Less: Provision for impairment (note (i))	減：減值撥備 (附註(i))	(14,435)	-	-	-
		21,962	31,187	-	-
Deposits and prepayments	存款及預付款項	808	14	48	29
Other receivables (note (ii))	其他應收款項 (附註(ii))	354,672	354,753	4,672	4,672
Less: Provision for impairment (note (ii))	減：減值撥備 (附註(ii))	(354,672)	(350,000)	(4,672)	-
		22,770	35,954	48	4,701

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22. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (i) Included in trade receivables of the Group are loan receivables amounted to HK\$35,335,000 (2005: HK\$31,020,000) arising from the money lending business. The loan receivables are unsecured, interest-bearing at prime rate plus 5% per annum and with repayment period of 6 months or 12 months from date of drawdown. In respect of the remaining balance of HK\$1,062,000 (2005: HK\$167,000), billings are normally due on presentation. The ageing analysis of the gross trade receivable balance at the balance sheet date, based on loan drawdown date or invoice date, is as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Within 3 months	三個月內	969	1,005
4 to 6 months	四至六個月	1,486	444
7 to 12 months	七至十二個月	20,900	29,738
Over 12 months	多於十二個月	13,042	-
		36,397	31,187

Based on the assessment of the recoverability of the receivables as detailed in note 4(b), the directors of the Company are of the view that HK\$14,435,000 of the trade receivables was impaired.

22. 應收賬款及其他應收款項 (續)

附註:

- (i) 計入本集團應收賬款中，共35,335,000港元(二零零五年:31,020,000港元)為貸款業務產生之應收貸款。此應收貸款為無抵押，並以最優惠利率加5厘收取利息，及於支用當日起計六個月或十二個月分期償還。就餘下結餘1,062,000港元(二零零五年:167,000港元)一般在收到發票時付款。於結算日，總應收賬款按提取貸款日期或收據日期之賬齡分析如下:

	Group 本集團	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Within 3 months	三個月內	969	1,005
4 to 6 months	四至六個月	1,486	444
7 to 12 months	七至十二個月	20,900	29,738
Over 12 months	多於十二個月	13,042	-
		36,397	31,187

根據於附註4(b)中詳述之應收款項可收回程度評核，本公司董事認為應收賬款減值14,435,000港元。

22. TRADE AND OTHER RECEIVABLES (continued)

- (ii) Included in other receivables of the Group is a balance of HK\$350,000,000 representing the unsettled cash consideration from the disposal of the Group's interest comprising 875 fully paid ordinary shares in REXCAPITAL Infrastructure Limited. Pursuant to the sale and purchase agreement dated 29 October 2003, the consideration for the disposal of the Group's interest in REXCAPITAL Infrastructure Limited amounted to HK\$350,000,000. As at 31 March 2006, none of the cash consideration of HK\$350,000,000 was settled and there has not been any subsequent settlement up to the date of approval of the financial statements. A full provision has been made in the financial statements in respect of the receivable.

Also, included in other receivables of the Company and the Group is a balance of HK\$4,672,000 representing deposit paid for exploring potential investment projects. During the year, such amount was impaired because of cessation of the exploration.

- (iii) The carrying amounts of trade and other receivables of the Group and the Company approximate their fair values at the balance sheet dates.

**23. AMOUNT DUE FROM/TO A SHAREHOLDER/
A MINORITY SHAREHOLDER/A RELATED
COMPANY**

The amounts due are unsecured, interest-free and repayable on demand. The carrying amounts of the balances approximate their fair values at the balance sheet dates.

22. 應收賬款及其他應收款項 (續)

- (ii) 包括於本集團其他應收款項為350,000,000港元之結餘，代表出售本集團於REXCAPITAL Infrastructure Limited之875股已繳足普通股之權益之未收取現金代價。根據二零零三年十月二十九日之買賣協議，出售本集團於REXCAPITAL Infrastructure Limited之權益之代價為350,000,000港元。於二零零六年三月三十一日，350,000,000港元之現金代價均未支付，截至財務報表核准日期為止，亦未有任何其後之付款。於財務報表中已就該應收款項作出全數撥備。

另外，本公司及本集團之其他應收款項中包括一筆價值4,672,000港元之結餘，乃為發掘潛在投資項目而支付之按金。年內，由於終止發掘行動，該筆款項已減值。

- (iii) 本集團及本公司之應收賬款及其他應收款項之賬面值與彼等於結算日之公允價值相若。

**23. 應收／應付一位股東／一位少數
股東／一間關連公司之款項**

該等款項乃無抵押、不計息及於接獲通知時償還。結餘之賬面值與其於結算日之公允價值相若。

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24. AMOUNTS DUE FROM/TO SUBSIDIARIES

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Amounts due from subsidiaries 應收附屬公司款項	1,041,777	1,032,879
Less: Provision for impairment 減：減值撥備	(913,184)	(913,182)
	<u>128,593</u>	<u>119,697</u>
Amounts due to subsidiaries 應付附屬公司款項	<u>22,740</u>	<u>26,059</u>

The amounts due are unsecured, interest-free and have no fixed repayment term. In the opinion of the directors, the balances are repayable within 12 months from the balance sheet date. The carrying amounts of the balances approximate their fair values at the balance sheet dates.

24. 應收／應付附屬公司款項

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Amounts due from subsidiaries 應收附屬公司款項	1,041,777	1,032,879
Less: Provision for impairment 減：減值撥備	(913,184)	(913,182)
	<u>128,593</u>	<u>119,697</u>
Amounts due to subsidiaries 應付附屬公司款項	<u>22,740</u>	<u>26,059</u>

該等款項乃無抵押、不計息及無固定還款期。董事認為，餘額會於由結算日起計12個月內償還。餘額之賬面值與彼等於結算日之公允價值相若。

25. CASH AND CASH EQUIVALENTS

25. 現金及現金等價物

	Group 本集團		Company 本公司	
	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cash at banks and in hand 銀行及手頭上現金	147,419	7,841	145,831	7,741

Cash at banks earn interest at floating rates based on daily bank deposits rates. The carrying amounts of the cash and cash equivalents approximate their fair values at the balance sheet dates.

按銀行每日存款利率，存放銀行之現金按浮動利率賺取利息。現金及現金等價物之賬面值與彼等於結算日之公允價值相若。

26. TRADE AND OTHER PAYABLES

26. 應付賬款及其他應付款項

Details of the trade and other payables including ageing analysis of trade payables, based on invoice date, are as follows:

根據發票日期，有關應付賬款及其他應付款項之詳情載列如下：

	Group 本集團		Company 本公司	
	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Trade payables 應付賬款				
Within 3 months 三個月內	819	-	-	-
4 to 6 months 四至六個月	154	-	-	-
	973	-	-	-
Temporary receipts from customers 來自客戶之暫收款	13,948	-	13,948	-
Other payables and accrued charges 其他應付款項及應計費用	14,879	3,151	10,978	2,851
	29,800	3,151	24,926	2,851

The carrying amounts of trade and other payables of the Group and the Company approximate their fair values at the balance sheet dates.

本集團應付賬款及其他應付款項之賬面值與彼等於結算日之公允價值相若。

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27. BORROWINGS

The borrowings which are repayable on demand are analysed as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Loans from securities brokers, secured	來自證券經紀之貸款， 有抵押	2,802	2,787
Other loan, unsecured	其他貸款， 無抵押	1,030	3,965
		3,832	6,752

Loans from securities brokers are secured by certain equity securities (note 21).

All the borrowings are denominated in Hong Kong dollars. Loans from securities brokers are interest-bearing at prime rate plus 3% per annum. Other loan is interest-bearing at 3% per annum over the prevailing prime lending rate offered by the Hong Kong and Shanghai Banking Corporation Limited.

The carrying amounts of the borrowings approximate their fair values at the balance sheet dates.

27. 借貸

按要求償還之借貸分析如下：

	Group 本集團	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
來自證券經紀之貸款， 有抵押		2,802	2,787
其他貸款， 無抵押		1,030	3,965
		3,832	6,752

來自證券經紀之貸款以若干股本證券作抵押(附註21)。

所有借貸均以港元計值。來自證券經紀之貸款則每年按最優惠利率加3厘計息。其他貸款每年按香港上海滙豐銀行有限公司之現行最優惠利率加3厘計息。

借貸之賬面值與彼等於結算日之公允價值相若。

28. SHARE CAPITAL

28. 股本

		2006 二零零六年		2005 二零零五年	
		Number of shares (<i>'000</i>) 股份數目 (千股)	HK\$ <i>'000</i> 千港元	Number of shares (<i>'000</i>) 股份數目 (千股)	HK\$ <i>'000</i> 千港元
Authorised:	法定股本:				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股	100,000,000	1,000,000	100,000,000	1,000,000
Issued and fully paid:	已發行及繳足股本:				
At 1 April 2005/ 2004	於二零零五年/ 二零零四年四月一日	2,752,452	27,525	1,709,400	17,094
Placing and Subscription (note (a))	配售及認購 (附註(a))	256,750	2,568	340,000	3,400
Acquisition of subsidiaries (note (b))	收購附屬公司 (附註(b))	600,000	6,000	-	-
Conversion of convertible notes	兌換可換股票據	-	-	617,582	6,176
Exercise of share options (note (c))	行使購股權 (附註(c))	18,500	185	85,470	855
Exercise of warrants (note (d))	行使認股權證 (附註(d))	4,850	48	-	-
At 31 March 2006/ 2005	於二零零六年/ 二零零五年三月三十一日	3,632,552	36,326	2,752,452	27,525

Notes:

(a) Pursuant to a board resolution passed on 15 March 2006, Multichannel Investments Limited ("MIL"), a shareholder of the Company, sold 256,750,000 existing shares of the Company to a placing agent at the placing price of HK\$0.59 per share ("Placing"). At the same time, MIL subscribed for 256,750,000 shares of the Company at subscription price of HK\$0.59 per share ("Subscription"). As a result of the Placing and Subscription, 256,750,000 new shares of the Company were issued at HK\$0.59 per share, resulting in additional share capital of HK\$2,568,000 and share premium of HK\$148,915,000. The related share issue expenses of HK\$9,779,000 were dealt with in the share premium account.

附註:

(a) 根據於二零零六年三月十五日批准之董事會決議案，Multichannel Investments Limited (「MIL」) (本公司一名股東) 以每股0.59港元之配售價將本公司256,750,000股現有股份出售予配售代理 (「配售」)。同時，MIL以每股0.59港元之認購價認購本公司256,750,000股股份 (「認購」)。該配售與認購導致本公司以每股0.59港元發行256,750,000股新股，以致股本額外增加2,568,000港元，以及股份溢價額外增加148,915,000港元。有關股份發行開支為9,779,000港元，已於股份溢價賬中處理。

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28. SHARE CAPITAL (continued)

Notes: (continued)

- (b) As mentioned in note 32, the Company issued new shares of 600,000,000 as part of the consideration of acquiring 100% issued share capital of Eaglefly. As at the date of acquisition on 19 January 2006, the market price of the shares of the Company was HK\$0.223, resulting in additional share capital of HK\$6,000,000 and share premium of HK\$127,800,000.
- (c) During the year, subscription rights attached to 18,500,000 share options of the Company issued during the year (note 29) were exercised at the subscription price of HK\$0.166 per share, giving rise to the issue of 18,500,000 shares of HK\$0.01 each for a total consideration of HK\$3,071,000. Accordingly, additional share capital of HK\$185,000 and share premium of HK\$2,886,000 is resulted.
- (d) On 6 June 2005, an ordinary resolution was duly passed by the shareholders of the Company with respect to the issue of 550,000,000 warrants of the Company at an issue price of HK\$0.046 per warrant for total cash consideration of HK\$25,300,000 (before issue expenses of HK\$1,319,000). Each warrant entitles the holder to subscribe for one ordinary share of the Company of HK\$0.01 each at an initial subscription price of HK\$0.116 per share at any time during the period from 4 July 2005, the date of issue, to 3 July 2007.

During the year, an aggregate of 4,850,000 new shares of the Company of HK\$0.01 each were issued for cash at a subscription price of HK\$0.116 each pursuant to the exercise of 4,850,000 warrants for a total cash consideration of HK\$563,000. Accordingly, additional share capital of HK\$48,000 and share premium of HK\$515,000 is resulted.

At the balance sheet date, the Company had 545,150,000 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, will result in the issue of 545,150,000 additional ordinary shares of the Company, including additional share capital of HK\$5,452,000 and share premium of HK\$57,785,000 (before expenses).

28. 股本 (續)

附註: (續)

- (b) 誠如附註 32 所述，本公司發行 600,000,000 股新股，以作為收購 Eaglefly 100% 已發行股本之部分代價。於二零零六年一月十九日之收購日，本公司股份市價為 0.223 港元，以致股本增加 6,000,000 港元，以及股份溢價則額外增加 127,800,000 港元。
- (c) 於年內，本公司於年內發行之 18,500,000 股購股權（附註 29）附隨之認購權獲行使，認購價為每股 0.166 港元，以致須發行 18,500,000 股每股面值 0.01 港元之股份，總代價為 3,071,000 港元。因此，導致增加股本 185,000 港元及股份溢價 2,886,000 港元。
- (d) 於二零零五年六月六日，一項普通決議案獲本公司股東批准，該決議案乃有關以發行價每份認股權證 0.046 港元發行 550,000,000 股本公司認股權證，總現金代價為 25,300,000 港元（扣除發行開支 1,319,000 港元前）。每股認股權證授權持有人於二零零五年七月四日發行日至二零零七年七月三日期間，可以每股 0.116 港元之初步認購價認購一股本公司每股面值 0.01 港元之普通股。

於年內，根據本公司共 4,850,000 份認股權證之行使，總現金代價為 563,000 港元，共有 4,850,000 股每股面值 0.01 港元新股按認購價每股 0.116 港元發行，換取現金。因此，導致增加股本 48,000 港元及股份溢價 515,000 港元。

於結算日，本公司尚有 545,150,000 股未行使認股權證。倘該等認股權證獲悉數行使，按本公司現有資本架構，將導致本公司 545,150,000 股額外之普通股發行，包括增加股本 5,452,000 港元及股份溢價 57,785,000 港元（扣除開支前）。

29. SHARE OPTION SCHEMES

Company

On 29 July 2002, the Company adopted a share option scheme (the “2002 Scheme”). Under the 2002 Scheme, the directors are authorised, at their discretion, to offer eligible participants, being employees (whether full time or part time), business consultants, agents, financial or legal advisors whom the directors consider, in sole discretion, have contributed to the Group, options to subscribe for new shares of the Company. The directors are authorised to determine exercise price, such price will not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange’s daily quotations on the date of offer, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotations for the five business days immediately preceding the date of offer; and (c) the nominal value of an ordinary share.

There is no general requirement that an option must be held for any minimum period before it can be exercised but the directors are empowered to impose at their discretion any requirements at the time of granting any particular option. Upon acceptance of the option, the grantee is required to pay a consideration of HK\$1.00 for each lot of share options granted on or before the 30 days after the option is offered.

The period within which the shares must be taken up under an option will be determined by the directors at their discretion but will not be later than 10 years after the date of adoption of the 2002 Scheme.

29. 購股權計劃

本公司

於二零零二年七月二十九日，本公司採納一項購股權計劃（「二零零二年計劃」）。根據二零零二年計劃，董事獲授權可全權向彼等認為對本集團有貢獻之全職或兼職僱員、業務顧問、代理、財務或法律顧問等合資格人士授出購股權以認購本公司新股。董事獲授權可釐定行使價，惟該價格不得低於：(a) 股份於授出購股權日期（必須為營業日）在聯交所每日報價表所列之收市價；(b) 緊接授出購股權日期之前五日營業日股份在聯交所每日報價表所列之平均收市價；及(c) 普通股面值（以最高者為準）。

並無購股權承授人須持有購股權一段限期方可行使之一般規定，惟董事可酌情於授出任何購股權時加任何規定。於接納購股權時，承授人須於授出購股權日期起計30日內就每次獲授之購股權支付代價1.00港元。

承授人獲授購股權後須認購股份之期限將由董事酌情釐定，惟不得遲於採納二零零二年計劃當日起計十年。

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29. SHARE OPTION SCHEMES (continued)

Company (continued)

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2002 Scheme and any other share option schemes of the Company (including exercised and outstanding options) to each of the eligible participants in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and any other share option schemes of the Company must not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the 2002 Scheme provided that the Company may at any time seek approval from its shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the shareholders in general meeting where such limit is refreshed.

The movement of the share options granted by the Company under the 2002 scheme are as follows:

		2006 Number 二零零六年 數目	2005 Number 二零零五年 數目
At 1 April 2005/2004	於二零零五年／二零零四年四月一日	101,517,006	32,234,012
Granted (note (a))	授出 (附註(a))	275,200,000	170,869,970
Lapsed	失效	-	(16,117,006)
Exercised (note (b))	已行使 (附註(b))	(18,500,000)	(85,469,970)
At 31 March 2006/2005	於二零零六年／二零零五年三月三十一日	<u>358,217,006</u>	<u>101,517,006</u>

29. 購股權計劃 (續)

本公司 (續)

授予個別合資格參與者之已發行及因按二零零二年計劃及本公司任何其他購股權計劃授出之購股權 (包括已行使及未行使之購股權) 獲行使而予以發行之股份總數, 於截至授出日期之任何十二個月期間內, 不得多於授出日期已發行股份之1%。

因行使二零零二年計劃或任何本公司其他購股權計劃授出之購股權而發行之股份數目, 最高不得超過本公司於批准及採納二零零二年計劃當日之已發行股本之10%, 惟本公司可於任何時候尋求其股東批准更新限額, 至股東於更新該限額之股東大會批准當日已發行股份之10%。

根據二零零二年計劃本公司授出之購股權變動如下:

29. SHARE OPTION SCHEMES (continued)

Company (continued)

The exercise price and exercisable periods of the share options are as follows:

		2006 二零零六年		2005 二零零五年	
		Number 數目	Exercise price per share HK\$ 每股行使價 港元	Number 數目	Exercise price per share HK\$ 每股行使價 港元
Exercisable period:	行使期:				
2.1.2004 – 1.1.2014	二零零四年一月二日至 二零一四年一月一日	16,117,006	0.1600	16,117,006	0.1600
20.12.2004 – 19.12.2014	二零零四年十二月二十日至 二零一四年十二月十九日	85,400,000	0.0880	85,400,000	0.0880
27.6.2005 – 26.6.2015	二零零五年六月二十七日至 二零一五年六月二十六日	85,200,000	0.1660	–	–
20.7.2005 – 19.7.2015	二零零五年七月二十日至 二零一五年七月十九日	171,500,000	0.1660	–	–
At 31 March	於三月三十一日	<u>358,217,006</u>		<u>101,517,006</u>	

Notes:

- (a) Share options were vested once granted.
- (b) In respect of the share options exercised in the current financial year, the weighted average share price of the Company at the dates of exercise ranged from HK\$0.44 to HK\$0.64 (2005: HK\$0.05) per share. The share options exercised during the year resulted in the issue of 18,500,000 ordinary shares of the Company (note 28 (c)).

29. 購股權計劃 (續)

本公司 (續)

購股權之行使價及行使期如下:

		2006 二零零六年		2005 二零零五年	
		Number 數目	Exercise price per share HK\$ 每股行使價 港元	Number 數目	Exercise price per share HK\$ 每股行使價 港元
Exercisable period:	行使期:				
2.1.2004 – 1.1.2014	二零零四年一月二日至 二零一四年一月一日	16,117,006	0.1600	16,117,006	0.1600
20.12.2004 – 19.12.2014	二零零四年十二月二十日至 二零一四年十二月十九日	85,400,000	0.0880	85,400,000	0.0880
27.6.2005 – 26.6.2015	二零零五年六月二十七日至 二零一五年六月二十六日	85,200,000	0.1660	–	–
20.7.2005 – 19.7.2015	二零零五年七月二十日至 二零一五年七月十九日	171,500,000	0.1660	–	–
At 31 March	於三月三十一日	<u>358,217,006</u>		<u>101,517,006</u>	

附註:

- (a) 購股權已於授出日歸屬。
- (b) 就於本年財政年度已行使之購股權，於行使日本公司之加權平均股價為每股0.44港元至0.64港元(二零零五年:0.05港元)。於年內已行使之購股權導致本公司發行18,500,000股普通股(附註28(c))。

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29. SHARE OPTION SCHEMES (continued)

Company (continued)

As mentioned in note 2.1(d), the adoption of HKFRS 2 has no financial impact to the share options granted by the Company in prior years. However, all the share options granted during the year have been accounted for under HKFRS 2. The fair value of the 275,200,000 share options at the date of grant was HK\$24,049,000 in aggregate which has been recognised as to HK\$3,696,000 as staff costs and HK\$20,353,000 as consultancy fee in the income statement for the year ended 31 March 2006.

The fair values of share options granted during the year were determined by an independent valuer using the Binomial Model (the "Model"). Details of the inputs to the Model are as follows:

Expected volatility (%)	42.18%
Risk-free interest rate (%)	3.38%
Dividend yield (%)	0.00%

Expected volatility at the date of grant represents historical volatilities which was calculated using the 90-day historical share prices of the Company preceding the date of grant.

At the balance sheet date, the Company had 358,217,000 share options outstanding under the 2002 Scheme. The exercise in full of these remaining share options would, under the present capital structure of the Company, will result in the issue of 358,217,000 additional ordinary shares of the Company including additional share capital of HK\$3,582,000 and share premium of HK\$49,124,000.

Subsequent to the balance sheet date and up to the date of these financial statements, no share option has been granted.

29. 購股權計劃 (續)

本公司 (續)

如附註2.1(d)所述，採納香港財務報告準則第2號對本公司於過往年度授出之購股權並無財務影響。然而，所有於年內授出之購股權已按照香港財務報告準則第2號入賬。275,200,000股購股權於授出日之公允價值總額為24,049,000港元，已於截至二零零六年三月三十一日止年度收益表確認其中3,696,000港元為員工成本及20,353,000港元為顧問費。

於年內授出購股權之公允價乃使用二項模式（「模式」）釐定。輸入模式之資料如下：

預期波幅(%)	42.18%
無風險利率(%)	3.38%
孳息(%)	0.00%

於授出日之預期波幅，即以於授出日前本公司九十日歷史股價計算之歷史波幅。

於結算日，根據二零零二年計劃，本公司尚有358,217,000股未行使購股權。倘該等餘下購股權獲悉數行使，按本公司現有資本架構，將導致本公司358,217,000股額外之普通股發行，包括額外股本3,582,000港元及額外股份溢價49,124,000港元。

於結算日後至該等財務報表日期止期間，概無購股權授出。

29. SHARE OPTION SCHEMES (continued)

Subsidiary

On 31 December 2005, Terra Solar Global, Inc. (“TSG”), a subsidiary of the Group, implemented a share option scheme (the “2005 Scheme”). Under the 2005 Scheme, TSG’s directors (the “TSG directors”) are authorised to offer share options of TSG to eligible participants, being directors, officers, other employee and consultants of TSG and its subsidiaries.

The TSG directors are authorised to determine exercise price per share. Such price shall not be less than (i) 110% of the fair market value per share on the date of grant if the options are granted to employee as defined under the 2005 Scheme and at the time of grant of the options, the employee owns more than 10% of the voting power of all classes of shares of TSG or any parent or subsidiary; or (ii) the fair market value per share on the date of grant for cases other than that described in (i).

The period within which the shares must be taken up under an option will be determined by the TSG directors, but not more than 5 or 10 years from the date of grant, depending on the situations as described in the 2005 Scheme.

29. 購股權計劃 (續)

附屬公司

二零零五年十二月三十一日，Terra Solar Global, Inc. (「TSG」) (本集團之附屬公司) 實施一項購股權計劃 (「二零零五年計劃」)。根據二零零五年計劃，TSG之董事 (「TSG董事」) 獲授權授出TSG之購股權予合資格參加者，即TSG及其附屬公司之董事、高級職員、其他僱員以及顧問。

TSG董事獲授權釐定每股股份之行使價，惟(i)倘購股權乃授予根據二零零五年計劃定義之僱員，而有關僱員在獲授購股權時僱員擁有超過10% TSG或其母公司或附屬公司之所有類別股份之投票權，有關價格不能低於於授出日每股之公允市價之110%；或(ii)倘為(i)所述情況以外者，有關價格不能低於授出日每股之公允市價。

認股權涉及之股份必須接納之期限由董事會釐定，惟視乎於二零零五年計劃所述之情況不得多於5年或10年。

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29. SHARE OPTION SCHEMES (continued)

Subsidiary (continued)

The options granted under the 2005 Scheme shall be exercisable upon its having vested in accordance with the vesting schedule and upon and after the registration date.

The aggregate number of shares which may be issued pursuant to the 2005 Scheme is 1,500. If any option granted under the 2005 Scheme shall expire or terminate for any reason without having been exercised in full or shall cease for any reason to be exercisable in whole or in part, or if TSG shall reacquire any option, the unpurchased shares subject to such options shall again be available for grants of options under the 2005 Scheme. The maximum aggregate number of shares of TSG that may be granted in the form of share options in any one fiscal year to an eligible participant shall be 1,000 shares.

The movement of the share options granted under the 2005 Scheme are as follows:

		2006 Number 二零零六年 數量	2005 Number 二零零五年 數量
At 1 April 2005/2004	於二零零五年／二零零四年四月一日	-	-
Granted	已授出	1,226	-
At 31 March 2006/2005	於二零零六年／二零零五年三月三十一日	1,226	-

29. 購股權計劃 (續)

附屬公司 (續)

根據歸屬時間表，以及於註冊日及其後，按二零零五年計劃授出之購股權在其獲歸屬後可行使。

根據二零零五年計劃可能發行之股份總數為1,500股。倘按二零零五年計劃授出之任何購股權期滿失效，或因任何原因終止而未獲悉數行使，或因任何原因而令全部或部份變成不能行使，或倘TSG再購回任何購股權，有關購股權未被購入之股份將可按二零零五年計劃再作授出購股權之用。於任何一個財政年度可以購股權形式授予合資格參加者之TSG之股份之總數最高為1,000股。

根據二零零五年計劃授出之購股權之變動如下：

29. SHARE OPTION SCHEMES (continued)**Subsidiary (continued)**

During the year, 1,226 share options were granted under the 2005 Scheme with exercise price of HK\$6,153 (equivalent to US\$794) per option. As at 31 March 2006, 520 share options were vested and exercisable. The outstanding share options as at 31 March 2006 are exercisable from the date of vesting to 31 December 2015.

The share options granted under the 2005 Scheme during the year have been accounted for under HKFRS 2 and as a result, HK\$137,000 has been recognised as staff costs in the income statement for the year ended 31 March 2006.

The fair values of share options granted during the year were determined by an independent valuer using the Black-Scholes Option Pricing Model (the “Black-Scholes Model”). Details of the inputs to the Black-Scholes Model are as follows:

Expected volatility (%)	3.46%
Risk-free interest rate (%)	4.53%
Dividend yield (%)	0.00%

Risk free interest rate represents the yields to maturity of respective US Federal 10 year Treasury Note.

At the balance sheet date, TSG had 1,226 share options outstanding under the 2005 Scheme which represented 12.3% of the issued share capital of TSG on the same date.

Subsequent to the balance sheet date and up to the date of these financial statements, no share option had been granted under the 2005 Scheme.

29. 購股權計劃 (續)**附屬公司 (續)**

年內，已根據二零零五年計劃授出1,226份購股權，行使價為每份購股權6,153港元（相等於794美元）。於二零零六年三月三十一日，520份購股權已歸屬及可予行使。於二零零六年三月三十一日尚未行使之購股權可於歸屬日期起至二零一五年十二月三十一日間行使。

於年內根據二零零五年計劃授出之購股權已根據香港財務報告準則第2號列賬，故此，其中137,000港元於截至二零零六年三月三十一日止年度之財務報表中確認為僱員成本。

年內授出之購股權之公允價值乃由獨立估值師，使用柏力克－舒爾斯期權定價模式（「柏力克－舒爾斯模式」）釐定。輸入柏力克－舒爾斯模式之資料如下：

預期波幅(%)	3.46%
無風險息率(%)	4.53%
孳息(%)	0.00%

無風險利息即各10年期美國聯邦國庫票據到期孳息。

於結算日，根據二零零五年計劃，TSG有1,226份購股權尚未行使，佔同日TSG已發行股本約12.3%。

於結算日後至本財務報表編撰日，概無根據二零零五年計劃授出購股權。

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30. RESERVES

Company

		Share premium	Share option reserve	Contributed surplus	Warrant reserve	Accumulated losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股份溢價	購股權儲備	繳納盈餘	認股權證儲備	累計虧損	總計
		千港元	千港元	千港元	千港元	千港元	千港元
			(附註(a))	(附註(b))	(附註(c))		
At 1 April 2004	於二零零四年四月一日	432,125	-	611,786	-	(654,010)	389,901
Loss for the year/	年內虧損/年內						
Total recognised income and expense for the year	已確認收入及開支總額	-	-	-	-	(355,125)	(355,125)
Shares issued on placement	因配售而發行股份	10,200	-	-	-	-	10,200
Expenses for placement of shares	配售股份開支	(464)	-	-	-	-	(464)
Shares issued on conversion of convertible notes	因兌換可換股票據而發行股份	18,824	-	-	-	-	18,824
Exercise of share options	行使購股權	2,974	-	-	-	-	2,974
At 31 March 2005 and 1 April 2005	於二零零五年三月三十一日至二零零五年四月一日	463,659	-	611,786	-	(1,009,135)	66,310
Loss for the year/	年內虧損/年內						
Total recognised income and expense for the year	已確認收入及開支總額	-	-	-	-	(35,701)	(35,701)
Share based compensation (note 29)	以股份支付補償 (附註29)	-	24,049	-	-	-	24,049
Shares issued on Placing and Subscription (note 28(a))	因配售及認購而發行股份 (附註28(a))	148,915	-	-	-	-	148,915
Share issue expenses (note 28(a))	股份發行開支 (附註28(a))	(9,779)	-	-	-	-	(9,779)
Shares issued on acquisition of a subsidiary (note 28(b))	因收購一間附屬公司而發行股份 (附註28(b))	127,800	-	-	-	-	127,800
Exercise of share options (note 28(c))	行使購股權 (附註28(c))	4,503	(1,617)	-	-	-	2,886
Issue of warrants (note 28(d))	發行認股權證 (附註28(d))	-	-	-	23,981	-	23,981
Exercise of warrants (note 28 (d))	行使認股權證 (附註28(d))	726	-	-	(211)	-	515
At 31 March 2006	於二零零六年三月三十一日	735,824	22,432	611,786	23,770	(1,044,836)	348,976

30. 儲備

本公司

30. RESERVES (continued)**Company (continued)***Notes:*

- (a) The share option reserve arises from the share based compensation regarding the share options granted by the Company and a subsidiary as referred to in note 29.
- (b) Under the Companies Act of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus, if:
 - (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities, issued share capital and share premium account.
- (c) Warrant reserve represents the net proceeds received from the issue of warrants of the Company. The reserve will be transferred to share capital and share premium accounts upon the exercise of the warrants.

In the opinion of the directors, as at 31 March 2006, the Company had no reserves available for distribution to its shareholders (2005: Nil).

30. 儲備 (續)**本公司 (續)***附註:*

- (a) 購股權儲備乃由有關本公司及一間附屬公司授出購股權 (詳情見附註 29) 之以股份支付薪酬產生。
- (b) 根據百慕達公司法, 本公司之繳納盈餘賬乃屬於可供分派儲備。然而, 如在下列情況下, 本公司則不能自繳納盈餘中宣派或支付股息, 或作出分派:
 - (i) 本公司當時或於有關派發後無法償還到期之債務; 或
 - (ii) 本公司資產之可變現價值將因此而低於本公司負債、已發行股本與股份溢價賬之總和。
- (c) 認股權證即因本公司發行認股權證收取之所得款項淨額, 該儲備於認股權證行使時將轉移至股本及股份溢價賬。

董事認為, 本公司於二零零六年三月三十一日並無可供分派予股東之儲備 (二零零五年: 無)。

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31. MAJOR NON-CASH TRANSACTION

Part of the purchase consideration of acquisition of Eaglefly during the year as mentioned in note 32 was settled by 600,000,000 ordinary shares of the Company at the price of HK\$0.223 per share, which amounted to HK\$133,800,000.

32. ACQUISITION OF SUBSIDIARIES

On 19 January 2006, the Group acquired 100% of the issued share capital of Eaglefly Technology Limited (“Eaglefly”) together with the shareholder’s loan (the “Acquisition”) from Multichannel Investments Limited. Eaglefly is incorporated in the British Virgin Islands and is an investment holding company. Eaglefly has 51% equity interests in Terra Solar Global, Inc. which has 100% equity interests in Terra Solar North America, Inc. (collectively, the “TS Group”). As at the date of Acquisition, TS Group was principally engaged in development, manufacturing, marketing and sales of solar cells, modules and panels for generating solar electric power and related training and consulting services.

The purchase consideration is HK\$158,174,000 which was satisfied as to HK\$24,374,000 (equivalent to US\$3,145,000) by way of cash and HK\$133,800,000 by issuing 600,000,000 ordinary shares of the Company at the price of HK\$0.223 per share which represented the market price of the Company’s share at the date of Acquisition. After taking into account the professional fees incidental to the Acquisition of HK\$3,224,000, the total acquisition cost amounts to HK\$161,398,000.

31. 主要非現金交易

附註32所載於年內收購Eaglefly之部份購買代價，以每股發行價0.223港元之600,000,000股本公司普通股清償，總額為133,800,000港元。

32. 收購附屬公司

於二零零六年一月十九日，本集團向Multichannel Investments Limited收購Eaglefly Technology Limited（「Eaglefly」）100%已發行股本連同股東貸款（「收購」）。Eaglefly於英屬處女群島註冊成立，為一投資控股公司。Eaglefly持有 Terra Solar Global, Inc. 51%權益，而Terra Solar Global Inc. 則持有Terra Solar North America, Inc.（統稱「TS集團」）100%權益。於收購日，TS集團主要從事太陽能發電之太陽能電池、組件、控電板等之開發、生產、營銷及銷售，以及有關之培訓及顧問服務。

收購代價為158,174,000港元，其中24,374,000港元（相等於3,145,000美元）以現金支付，其餘133,800,000港元則透過以每股0.223港元（即於本公司股份收購日之市價）發行600,000,000股普通股支付。在計入收購附隨之專業費用3,224,000港元後，總收購成本為161,398,000港元。

32. ACQUISITION OF SUBSIDIARIES (continued)

The fair values of the identifiable assets and liabilities of Eaglefly and TS Group as at the date of Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

		Carrying amount HK\$'000 賬面值 千港元	Adjustments HK\$'000 調整 千港元	Fair value HK\$'000 公允價值 千港元
Goodwill	商譽	70,488	(70,488)	–
Property, plant and equipment	物業、廠房及設備	10,484		10,484
Inventories	存貨	519		519
Unbilled revenue for long-term service contracts	未入賬長期服務 合約收入	4,844		4,844
Trade and other receivables	應收賬款及其他應收款項	23,802		23,802
Cash and cash equivalents	現金及現金等價物	573		573
Trade and other payables	應付賬款及其他應付款項	(1,620)		(1,620)
Borrowings	借貸	(4,611)		(4,611)
Minority interests	少數股東權益	(51,194)	34,538	(16,656)
Net assets acquired	收購資產淨值	53,285		17,335
Shareholder's loan acquired	收購股東貸款			3,488
Goodwill arising on Acquisition (note 16)	收購產生之商譽 (附註16)			140,575
Total acquisition cost	總收購成本			161,398

32. 收購附屬公司 (續)

Eaglefly及TS集團之可辨認資產及負債於收購日之公允價值,以及緊接收購前之相關賬面值如下:

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32. ACQUISITION OF SUBSIDIARIES (continued)

32. 收購附屬公司 (續)

		Fair value HK\$'000 公允價值 千港元
<hr/>		
The total acquisition cost is satisfied by:	總收購成本以下列各項支付：	
Cash	現金	27,598
Shares issued	已發行股份	133,800
		<hr/>
		161,398
		<hr/>
An analysis of the net cash outflow arising on the Acquisition is as follows:	收購產生之現金流出淨額分析如下：	
Cash consideration paid	已付現金代價	27,598
Bank balances and cash acquired	收購銀行結餘及現金	(573)
		<hr/>
Net outflow of cash and cash equivalents in respect of the Acquisition	有關收購之現金及現金等價物流出淨額	27,025
		<hr/>

32. ACQUISITION OF SUBSIDIARIES (continued)*Notes:*

Since the Acquisition, Eaglefly and TS Group has contributed revenue of HK\$7,725,000 and net loss of HK\$3,742,000 to the Group's revenue and loss for the year.

Had the Acquisition been completed on 1 April 2005, the revenue and the loss for the year of the Group would have been HK\$12,670,000 and HK\$110,801,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 April 2005, nor it is intended to be a projection of future results.

33. OPERATING LEASE COMMITMENTS

At 31 March 2006, the total future minimum lease payments in respect of office premises under non-cancellable operating leases were payable by the Group as follows:

		Group	
		本集團	
		2006	2005
		<i>HK\$'000</i>	<i>HK\$'000</i>
		二零零六年	二零零五年
		千港元	千港元
Within one year	一年內	2,247	-
In the second to fifth year inclusive	兩至五年(包括首尾兩年)	11,831	-
Over five years	逾五年	18,116	-
		<u>32,194</u>	<u>-</u>

The Group leases land and buildings under an operating lease. The lease runs for an initial period of 10 years, with an option to renew the lease and renegotiate the terms at the expiry date. The lease does not include any contingent rentals.

32. 收購附屬公司 (續)*附註:*

自收購後，Eaglefly及TS集團分別為本集團之收入及年內虧損分別帶來7,725,000港元收入及3,742,000港元虧損淨額。

收購已於二零零五年四月一日完成，本集團之收入及年內虧損分別為12,670,000港元及110,801,000港元。備考資料僅供說明用途，並非必然顯示於二零零五年四月一日完成收購而將可達致之本集團收入及營運業績，亦無意用作預測未來業績。

33. 經營租賃承擔

於二零零六年三月三十一日，根據不可解除之經營租賃，本集團就日後應繳付辦公室物業經營租賃之最低租賃款項總額如下：

		Group	
		本集團	
		2006	2005
		<i>HK\$'000</i>	<i>HK\$'000</i>
		二零零六年	二零零五年
		千港元	千港元
Within one year	一年內	2,247	-
In the second to fifth year inclusive	兩至五年(包括首尾兩年)	11,831	-
Over five years	逾五年	18,116	-
		<u>32,194</u>	<u>-</u>

本集團按經營租約租賃土地及樓宇。租賃初步期限為十年，可於到期日選擇續租並對條款進行協商。讓租賃並無包括任何或然租金。

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34. CAPITAL COMMITMENTS

Group

As at 31 March 2006, the Group had the following capital commitments:

- (i) The Group has entered into a contract with a company, in which a director of the Company has equity interest, for the purchase and installation of certain manufacturing equipments which are used/ to be used in a long-term service contract. The amount of the purchase contract is approximately HK\$43,014,000 and other associated charges relating to the contract which are to be billed on labour and material basis is HK\$3,100,000. As at 31 March 2006, costs of HK\$5,619,000 in relation to the contract have been incurred by the Group and the amount of commitment arising from the contract was HK\$40,495,000.
- (ii) Pursuant to the signing of two joint venture agreements by a subsidiary on 10 January 2005, the Group is required to make capital contribution of approximately HK\$15,500,000 (US\$2,000,000) and HK\$988,000 (US\$127,500) respectively. As at 31 March 2006, the Group has not yet made any of such capital contributions.

Company

The Company had no material capital commitment as at the balance sheet dates.

34. 資本承諾

本集團

於二零零六年三月三十一日，本集團之資本承諾如下：

- (i) 本集團與一間公司（本公司董事持有該公司股權）就購買及安裝若干生產設備訂立一項合約，該批生產設備已用／將用於長期服務合約。購買合約之金額約為43,014,000港元，而有關合約的其他關連費用將按勞工及原材料入賬之金額為3,100,000港元。於二零零六年三月三十一日，本集團就有關合約之成本為5,619,000港元，而合約產生之承諾金額為40,495,000港元。
- (ii) 根據兩份由一間附屬公司於二零零五年一月十日簽署之合資企業協議，本集團須分別作出約15,500,000港元（2,000,000美元）及988,000港元（127,500美元）之資本承諾。於二零零六年三月三十一日，本集團並未作出任何有關資本承諾。

本公司

於結算日，本公司並無重大資本承諾。

35. CONTINGENT LIABILITIES AND LITIGATIONS

The Group

On 21 September 1999, a former director of the Company, Mr Wong Chong Shan, commenced proceedings in the High Court against the Company claiming a sum of HK\$5,000,000. Mr Wong Chong Shan alleged that he paid the said sum on the Company's behalf in August 1997 to a third party as deposit and that the Company failed to make repayment to him. The directors have considered the matter and are of the opinion that since no positive steps have been taken by Mr Wong Chong Shan to proceed with the action since June 2000, it is not necessary at this stage to make a provision in the financial statements for these proceedings.

The Company

The Company has issued corporate guarantee to certain securities brokers for securing the credit facilities granted by the brokers to one of its subsidiaries on securities accounts. As at 31 March 2006, HK\$712,000 of the credit facilities was utilised by the subsidiary.

35. 或然負債及訴訟

本集團

於一九九九年九月二十一日，本公司之前任董事黃創山先生於高等法院提出向本公司索償合共5,000,000港元。黃創山先生宣稱於一九九七年八月代表本公司向第三方支付該款項作為按金，惟本公司並未向其償還該款項。董事在考慮有關事宜後，認為由於黃創山先生自二零零零年六月後並無就有關訴訟採取行動，故在現階段毋須就此財務報表中作出撥備。

本公司

本公司已發行公司擔保予若干證券經紀商，以作為經紀商授出信貸融通予其中一間附屬公司之證券戶口之抵押。於二零零六年三月三十一日，附屬公司動用之信貸融通為712,000港元。

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36. MATERIAL RELATED PARTY TRANSACTIONS

Particulars of material related party transactions during the year are as follows:

	Notes	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
	附註		
Interest expense on loan from a related party, unsecured	關連公司給予之貸款 利息開支，無抵押 (a)	170	99
Operating lease charges in respect of properties	物業之經營租賃費用	–	291
Purchase of manufacturing equipments	購入生產設備 34(i)	5,619	–
Research and development expenses	研發開支 (b)	969	–
Secondment service income	借調服務收入 (c)	2,628	1,613

Notes:

- (a) During the year, interest expense of HK\$170,000 (2005: HK\$99,000) were paid in respect of a loan from a company in which a former director of the Company has equity interest.

36. 重大關連人士交易

年內重大關連人士交易詳情如下：

	Notes	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
	附註		
Interest expense on loan from a related party, unsecured	關連公司給予之貸款 利息開支，無抵押 (a)	170	99
Operating lease charges in respect of properties	物業之經營租賃費用	–	291
Purchase of manufacturing equipments	購入生產設備 34(i)	5,619	–
Research and development expenses	研發開支 (b)	969	–
Secondment service income	借調服務收入 (c)	2,628	1,613

附註：

- (a) 年內，已就本公司一名前董事擁有股份權益之公司提供之貸款支付利息開支 170,000 港元（二零零五年：99,000 港元）。

36. MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (b) The Group has entered into research and development agreement with a related company in which a director of the Company has the equity interest. Research and development expenses incurred by the Group during the year in respect of the agreement was HK\$969,000.
- (c) Secondment service income of HK\$2,628,000 (2005: HK\$1,613,000) were derived from secondment of staff to a related company in which a former director of the Group has equity interest.

37. FINANCIAL RISK MANAGEMENT

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates. Generally, the Group employs a conservative strategy regarding its risk management. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

36. 重大關連人士交易 (續)

- (b) 本集團與一間關連公司訂立研究及發展協議，而本公司一名董事持有該關連公司股權。本集團年內就該協議之研發費用為969,000港元。
- (c) 2,628,000港元（二零零五年：1,613,000港元）之借調服務收入乃來自向一間關連公司提供借調員工服務，而本集團一名前董事持有該關連公司之股權。

37. 金融風險管理

本集團並無書面之風險管理政策及指引。然而，董事會會定期開會分析及制訂措施以管理本集團面對之市場風險，主要包括利率之變更。一般來說，本集團採用就其風險管理採取保守策略。由於本公司董事認為本集團面對之市場風險一直保持最低水平，故本集團毋須就對沖用途使用任何衍生工具或其他工具。本集團並無持有或發行衍生金融工具以作交易用途。

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37. FINANCIAL RISK MANAGEMENT (continued)

The financial assets of the Group comprise primarily securities in listed and unlisted companies, amounts due from customers of contract works, trade and other receivables, cash and cash equivalents. The financial liabilities of the Group comprise trade and other payables and borrowings.

(a) Interest rate risk

The Group has no significant interest-bearing assets apart from cash and cash equivalents. The Group's interest rate risk arising from borrowings are disclosed in note 27.

(b) Foreign currency risk

The Group's exposure to risk resulting from changes in foreign currency exchange rates is minimal.

(c) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated balance sheet. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Group's amounts due from customers of contract works and trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

37. 金融風險管理 (續)

本集團之金融資產主要包括上市及非上市公司證券、應收合約工程客戶款項、應收賬款及其他款項、現金及現金等價物。本集團金融負債包括應付賬款、其他應付款項及借貸。

(a) 利率風險

除現金及現金等價物外，本集團並無重大計息資產。本集團之利率風險來自附註27所披露之借貸。

(b) 外幣風險

本集團因外幣匯率變動而需面對之風險極低。

(c) 信貸風險

一般來說，金融資產面臨最大之信貸風險，乃金融資產於綜合資產負債表所呈列之賬面值。因此，僅當最大潛在金融虧損與有關金融資產之賬面值顯著不同時，才披露信貸風險。

本集團應收合約工程客戶之款項，以及應收賬款及其他應收款項，均受積極監察，以避免重大集中之信貸風險。

37. FINANCIAL RISK MANAGEMENT (continued)**(d) Liquidity risk**

The Group applies prudent liquidity risk management by maintaining sufficient amount of cash and keeping committed credit line available from high quality lenders.

(e) Price risk

The Group is exposed to equity security price risk because of its investments in securities held for trading. They are stated at fair value at each balance sheet date. The management monitors and manages this risk exposure by maintaining a portfolio of investments with different risk profiles.

(f) Fair Value

The directors consider that the fair value of financial assets and financial liabilities reported in the consolidated balance sheet approximate their carrying amounts.

37. 金融風險管理 (續)**(d) 流動資金風險**

本集團採取審慎的流動資金風險管理，維持充足的現金額，並維持由優質放款人提供可予動用之信貸安排。

(e) 價格風險

本集團面臨股本證券價格風險，乃因其持有作交易之證券投資。該等證券投資乃於每一結算日按公允價值列值。管理層透過具有不同風險狀況之投資組合，以監察及管理該等風險承擔。

(f) 公允價值

董事認為金融資產及金融負債呈報於綜合資產負債表上之公允價值，與彼等之賬面值相若。