

1. GENERAL

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

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of the annual report.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the company as the Company is a public company incorporated in Bermuda with the shares listed in the Stock Exchange, where most of its investors are located in Hong Kong. The majority of the Company’s subsidiaries are operated in the Mainland China with Renminbi as their functional currency.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associates are set out in notes 40 and 20 to the financial statements respectively.

1. 一般事項

本公司於百慕達註冊成立為獲豁免有限公司，而其股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司之註冊辦事處及主要營業地點已載列於本年報中公司資料內。

財務報表以港元呈列，港元亦為本公司之功能貨幣。本公司為一家於百慕達註冊的公眾公司，股份於大部份投資者居於香港的聯交所上市。絕大多數的附屬公司於中國境內營運，並以人民幣為它們的功能貨幣。

本公司為一間投資控股公司。其附屬公司及聯營公司主要業務分別載於財務報表附註40及20。

2. BASIS OF PREPARATION

- (a) In preparing the financial statements, the directors have given consideration to the future liquidity of the Group in the light of its consolidated loss attributable to shareholders of HK\$1,210,000 for the year ended 31 March 2006 and net current liabilities of HK\$29,101,000 and deficiency of shareholders' fund of HK\$25,956,000 as at 31 March 2006. As stated in note 26 to the financial statements, the Group had borrowings totaling HK\$40,911,000.

Against this background, the Group is negotiating with its creditors to reschedule the repayment terms of the existing borrowings and is in the process of negotiating with the bondholder to extend the maturity date of the convertible bonds, so as to improve its financial position, liquidity and cash flows.

In view of the above measures being taken to restructure the Group's indebtedness, the directors are of the opinion that these financial statements should be prepared on a going concern basis.

- (b) The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("INT") (hereinafter collectively referred to as "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements are prepared under the historical cost convention except for financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

2. 編撰基準

- (a) 在編製財務報表時，由於本集團截至2006年3月31日止年度之股東應佔綜合虧損為1,210,000港元，於2006年3月31日之流動負債淨額為29,101,000港元，而股東資金虧絀為25,956,000港元，故董事已慎重考慮本集團日後之流動資金問題。載於財務報表附註26為本集團的借貸總額約40,911,000港元。

有鑑於此，本集團正與其債權人磋商，安排現有借貸之還款期限及延長可換股債券之到期日，以改善其財務狀況、流動資金及現金流量。

基於已採取上述措施以重組本集團之債務，董事認為，該等財務報表應按持續經營基準編製。

- (b) 本財務報表乃根據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」），亦包括香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例之披露規定，並（除資本性投資以公平值計算外）根據歷史成本慣例編製，並於以下主要會計政策中解釋。

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group adopted the new/revised standards and interpretations of HKFRS below, 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 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS-Int 15	Operating Leases – Incentives
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

3. 採納新訂／經修訂財務準則

在本年，本集團採納下列與其業務相關的新訂／經修訂財務準則及詮釋。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變更及差錯
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分部報告
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	外幣匯率變動之影響
香港會計準則第23號	借款費用
香港會計準則第24號	關連方披露
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28號	聯營公司投資
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則 – 詮釋第15號	營運租賃 – 優惠
香港財務報告準則第2號	以股份支付之支出
香港財務報告準則第3號	業務合併

Notes to Financial Statements

財務報表附註

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 24, 27, 28, 32, 33, 36, 37, 39 and HKAS-Ints 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and disclosures.
- HKASs 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 23, 27, 28, 32, 33, 37, 39 and HKAS-Ints-15 has no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 March 2005, the provision of share options to employees did not result in an expense in the income statement. Effective on 1 January 2005, the Group expenses the fair value of share options in the income statement. The Group has adopted the transitional provisions of HKFRS 2 under which the new measurement policies have not been applied to (i) options granted to employees on or before 7 November 2002; and (ii) options granted to employees after 7 November 2002 but which had vested before 1 April 2005.

3. 採納新訂／經修訂財務準則 (續)

採納新訂／經修訂香港會計準則第1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 24, 27, 28, 32, 33, 36, 37, 39號以及香港會計準則—詮釋第15號並無導致本集團的會計政策出現重大變動。總括而言：

- 香港會計準則第1號影響少數股東權益、應佔聯營公司除稅後業績及其他披露的呈報形式。
- 香港會計準則第2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 23, 27, 28, 32, 33, 37, 39號以及香港會計準則—詮釋第15號對本集團的政策並無重大影響。
- 香港會計準則第21號對本集團政策並無重大影響。本集團每個綜合實體的功能貨幣已根據經修訂準則的指引重新釐定。
- 香港會計準則第24號影響關聯方的確認和若干其他關聯方披露。

採納香港財務準則第2號導致以股份為基礎的支付的會計政策改變。在二零零五年三月三十一日以前，向僱員提供購股權不構成損益賬上的費用。由二零零五年一月一日起，本集團將購股權的公允價值在損益賬支銷。本集團已採納香港財務報告準則第2號之過渡條文，據此，新計量政策並無應用於(i)在二零零二年十一月七日或之前授予僱員之購股權；及(ii)在二零零二年十一月七日以後授予僱員，但於二零零五年四月一日前已歸屬之購股權。

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

As the Group did not have any employee share options which were granted during the period from 7 November 2002 to 31 December 2004 but had not yet vested as at 1 April 2005, the adoption of HKFRS 2 has had no impact on the accumulated losses as at 31 March 2005 and at 31 March 2006.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Until 31 March 2005, goodwill was:

- amortised on a straight line basis over its estimated useful life; and
- assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3:

- The Group ceased amortization of goodwill from 1 April 2005;
- Accumulated amortization as at 31 March 2005 has been eliminated with a corresponding decrease in cost of goodwill;
- From the year ended 31 March 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

All changes in the accounting policies have been made in accordance with the provision of the respective standards.

3. 採納新訂／經修訂財務準則 (續)

由於本集團於二零零二年十一月七日至二零零四年十二月三十一日止期間並無授出任何仍未於二零零五年四月一日歸屬之僱員購股權，故採納香港財務報告準則第2號並不影響二零零五年三月三十一日及二零零六年三月三十一日之累計虧損。

採納香港財務準則第3號、香港會計準則第36號及香港會計準則第38號導致商譽的會計政策改變。在二零零五年三月三十一日以前，商譽為：

- 按估計的可用年期以直線法攤銷；及
- 在每個結算日就減值跡象作出評估。

根據香港財務準則第3號的規定：

- 本集團由二零零五年四月一日起停止攤銷商譽；
- 於二零零五年三月三十一日的累計攤銷已經對銷，並相應減少商譽成本；
- 由截至二零零五年三月三十一日止年度起，每年以及當有減值跡象時對商譽就減值進行測試。

本集團已根據各有關準則的過渡條文對會計政策作出所有變更。

Notes to Financial Statements

財務報表附註

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

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

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

4. 已公佈但未生效之香港財務報告準則之影響

本集團並無提早應用下列已頒佈但未生效之新準則、修訂及詮釋。本公司董事預計，應用此等新準則、修訂或詮釋將不會對本集團之業績及財政狀況造成重大影響。

香港會計準則第1號 (修訂本)	資本披露 ¹
香港會計準則第19號 (修訂本)	精算盈虧、集團計劃及披露 ²
香港會計準則第21號 (修訂本)	境外業務之投資淨額 ²
香港會計準則第39號 (修訂本)	預測集團內部交易之現金流量對沖會計法 ²
香港會計準則第39號 (修訂本)	期權之公允價值 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)	財務擔保合約 ²
香港財務報告準則第1號 (修訂本)	首次採納香港財務報告準則 ²
香港財務報告準則第6號	勘探及評估礦物資源 ²
香港財務報告準則第7號	財務工具：披露 ¹
香港(國際財務匯報 詮釋委員會) — 詮釋第4號	釐定安排是否 包含租約 ²
香港(國際財務匯報 詮釋委員會) — 詮釋第5號	享有解除運作、修復及 環境修復基金所產 生權益之權利 ²
香港(國際財務匯報 詮釋委員會) — 詮釋第6號	參與特定市場產生之 負債—廢棄電力及 設備 ³
香港(國際財務匯報 詮釋委員會) — 詮釋第7號	根據香港會計準則第 29號惡性通貨膨脹 經濟下之財務報告 採用重列法 ⁴

4. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC) – INT 8	Scope of HKFRS 2 ⁵
HK(IFRIC) – INT 9	Reassessment of embedded derivatives ⁶
HK(IFRIC) – INT 10	Interim financial reporting and impairment ⁷

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 December 2005.

⁴ Effective for annual periods beginning on or after 1 March 2006.

⁵ Effective for annual periods beginning on or after 1 May 2006.

⁶ Effective for annual periods beginning on or after 1 June 2006.

⁷ Effective for annual periods beginning on or after 1 November 2006.

5. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

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

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

4. 已公佈但未生效之香港財務報告準則之影響 (續)

香港 (國際財務匯報 詮釋委員會) — 詮釋第8號	香港財務報告準則第2 號之範疇 ⁵
香港 (國際財務匯報 詮釋委員會) — 詮釋第9號	重估內含衍生工具 ⁶
香港 (國際財務匯報 詮釋委員會) — 詮釋第10號	中期財務報告及減值 ⁷

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 於二零零五年十二月一日或其後開始之年度期間生效。

⁴ 於二零零六年三月一日或其後開始之年度期間生效。

⁵ 於二零零六年五月一日或其後開始之年度期間生效。

⁶ 於二零零六年六月一日或其後開始之年度期間生效。

⁷ 於二零零六年十一月一日或其後開始之年度期間生效。

5. 主要會計政策

綜合基準

綜合財務報表包括本公司及其附屬公司截至三月三十一日止各年之財務報表。

年內所收購或出售之附屬公司之業績由實際收購日期起或截至實際出售日期止 (視適當情況而定) 計入綜合收益表。

集團內公司間所有交易、結餘、收入及開支於綜合賬目時對銷。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005.

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

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

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

5. 主要會計政策 (續)

綜合基準 (續)

綜合入賬附屬公司之淨資產中少數股東權益與本集團股本分開呈列。淨資產中少數股東權益包括該等權益於原業合併日期金額及自合併日期以來少數股東應佔股本變動。少數股東應佔虧損超出少數股東於附屬公司股本之權益，差額將分配予本集團權益，惟少數股東有具約束力責任且有能力作出額外投資以填補虧損則除外。

商譽

於二零零五年一月一日之前收購所產生之商譽

因收購一間附屬公司（協議日期為二零零五年一月一日以前）而產生之商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司可識別資產及負債公平值的權益之差額。有關商譽乃按成本減攤銷及累計減值虧損列賬。

對於因收購而產生並於先前已資本化之商譽，本集團自二零零五年四月一日起不再繼續攤銷，而有關商譽每年及凡商譽有關之賺取現金單位有可能出現減值的跡象時進行減值測試。

其後出售附屬公司時，已資本化商譽之應佔金額乃於釐定出售損益時計入。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Associated companies

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when the investment is designated as at fair value through profit or loss upon initial recognition (in which case it is accounted for under HKAS 39 Financial Instruments: Recognition and Measurement) or when the investment is classified as held for sale (in which case it is accounted for under HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations (“HKFRS 5”). Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group’s share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group’s share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group’s interest in the relevant associate.

Revenue recognition

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

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

5. 主要會計政策 (續)

於聯營公司之權益

聯營公司之業績、資產及負債乃以會計權益法綜合入本財務報告，惟投資於首次確認時劃分為按公允價值於損益賬列賬或分類為持作買賣（於該情況下則根據香港會計準則第39號入賬，或如投資分類為持作買賣（於該情況下則根據香港財務報告準則第5號「持作出售之非流動資產及已終止業務」（「香港財務報告準則第5號」）入賬）例外。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損之撥備及負債之確認僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限。

倘某集團公司與本集團之一間聯營公司進行交易，則損益以本集團於有關聯營公司中之權益為限撇銷。

收益確認

收入是在經濟效益可能流入本集團，及能可靠地計算該等收入與有關之成本時，按以下方法於損益表內確認：

銷售貨品於貨品付運及所有權獲轉移時予以確認。

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5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Integration services, services income and contract income are recognised upon receipt of acceptance from outside customers.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

Building	2% to 4%
Leasehold improvements	20% or over the terms of the lease, whichever is the shorter
Furniture, fixtures and office equipment	20%

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

5. 主要會計政策 (續)

收益確認 (續)

綜合服務、服務收入及合約收入乃於收訖外界客戶之接納書時予以確認。

銀行存款利息收入乃參考未償還本金及適用利率按時間基準計算。

來自投資之股息收入在確立股東收取款項之權利時予以確認。

物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。折舊乃按物業、廠房及設備估計可使用年期以直線法根據下列年率撇銷成本：

樓宇	2% to 4%
租賃物業裝修	20%或按租約年期計算，以較短者為準
傢俬、裝置及辦公室設備	20%

出售或棄置資產所產生之盈虧乃出售該項資產所得款項與其賬面值之差額，並於收益表內確認。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

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

Financial assets

The Group's financial assets mainly include financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

5. 主要會計政策 (續)

金融工具

當一家集團公司成為工具合約條文之一方，則於資產負債表內確認金融資產及金融負債。金融資產及金融負債初步按公允價值計量。收購或發行金融資產及金融負債直接應佔之交易成本（透過損益賬按公允價值處理之金融資產及金融負債除外）乃於初步確認時加入金融資產或金融負債之公允價值，或從金融資產或金融負債之公允價值扣除（倘適用）。收購透過損益賬按公允價值處理之金融資產或金融負債直接應佔之交易成本，即時於收益表內確認。

金融資產

集團之金融資產主要透過損益賬按公允價值處理之金融資產。

透過損益賬按公允價值處理之金融資產細分為兩類，包括持作買賣之金融資產及於初步確認時劃分為透過損益賬按公允價值處理之金融資產。於初步確認後之每個結算日，透過損益賬按公允價值處理之金融資產按公允價值計量，公允價值變動則於其所產生期間在收益表直接確認。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Bank borrowings are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing is recognised over the term of the borrowings.

Other financial liabilities

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

Equity instruments

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

5. 主要會計政策 (續)

金融負債及股本權益

集團公司發行之金融負債及股本工具乃根據合同安排之性質與金融負債及股本工具之定義分類。股本工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合同。就金融負債及股本工具所採納之會計政策乃載於下文。

借貸

銀行借貸其後按實際利率法以攤銷成本計量。所得款項(扣除交易成本)與償還或贖回借貸之任何差額乃按借貸期確認。

其他金融負債

其他金融負債包括應付賬項及應付票據，其後按實際利率法以攤銷成本計量。

股本工具

本集團發行之股本工具按所收所得款項扣除直接發行成本入賬。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity (continued)*Derivatives*

Derivatives that do not qualify for hedge accounting are deemed as financial assets/financial liabilities held for trading and are measured at fair value with fair value changes recognised in profit or loss, except for derivative instruments which are linked to and must be settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured and such derivative instruments are stated at cost less impairment, if applicable.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognized and the consideration received or receivable is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventory is based on the specific identification cost formula and comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

5. 主要會計政策 (續)

金融負債及股本權益 (續)*衍生工具*

不符合對沖會計法之衍生工具被視為持作買賣之金融資產／金融負債，按公平值計算，而公平值變動於損益賬確認，惟與無報價之股本工具有關並須以交付該等股本工具方式清償，而未能可靠計算其公平值之衍生工具除外，該等衍生工具乃按成本扣除減值（如適用）列賬。

剔除確認

當自資產收取現金流量之權利屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將剔除確認。剔除確認金融資產時，資產賬面值與已收代價及已直接於權益確認之累計損益總和間之差額，於損益確認。

至於金融負債，則於本集團之資產負債表中剔除（即當於有關合約訂明之責任獲履行、取消或屆滿時）。剔除確認之金融負債賬面值與已收或應收代價間之差額，於損益確認。

存貨

存貨乃按成本值與可變現淨值兩者中較低者列賬。存貨之成本值乃按特定識別成本程式計算，並包括購買之所有成本、轉換成本及其他將存貨達至其目前地點及狀況所產生之其他成本。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

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

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

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Taxation

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

5. 主要會計政策 (續)

資產減值

於各結算日，本集團會審閱其有形及無形資產之賬面值，以確認該等資產是否已出現減值虧損。倘本公司估計某項資產之可回收金額低於其賬面值，則該項資產之賬面值須減低至其可回收金額。減值虧損將即時確認為開支。

倘某項減值虧損其後撥回，則該項資產之賬面值須增至其可回收金額之經修訂估計數額，惟增加後之賬面值不得超過以往年度若資產並無減值虧損確認而原應釐定之賬面值。減值虧損撥回將即時確認為收入。

準備

因為過去事項而承擔了現時義務，並且很可能需要履行有關義務，則本集團會對該義務確認準備。準備的計量金額應是本集團董事對在資產負債表日履行現時義務所需支出的最佳估計。如果折現的影響重大，則會把有關金額折算至現值予以計量。

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

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

5. 主要會計政策 (續)

稅項 (續)

現時應付稅項乃根據年內之應課稅溢利計算。應課稅溢利與於收益表內呈報之溢利有所不同，原因在於應課稅溢利並不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括從來毋須課稅或不可扣稅之收益表項目。本集團之現時應付稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報告內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額而確認，並採用資產負債表負債法計入。遞延稅項負債一般就所有應課稅暫時差異確認，遞延稅項資產則於可扣減暫時差異有可能用以抵銷應課稅溢利時予以確認。倘暫時差異由商譽及初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債所產生，有關資產及負債不予以確認。

遞延稅項負債乃就於附屬公司、聯營公司及共同控制公司之投資所產生應課稅暫時差異予以確認，除非本集團可控制暫時差異回撥及暫時差異在可預見之將來可能不會回撥。

遞延稅項資產之賬面值乃於各結算日進行檢討，並在不可能有足夠應課稅溢利以收回全部或部份資產之金額時作調減。

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5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Leased assets

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

Foreign currencies

(a) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the functional currency of all the entities comprising the Group and the presentation currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

5. 主要會計政策 (續)

稅項 (續)

遞延稅項按預期適用於清償負債或變現資產期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在此情況下，遞延稅項亦於權益中處理。

租賃資產

倘租賃條款將擁有資產之絕大部份回報及風險仍撥歸出租公司，有關租賃均列作經營租賃。有關經營租賃應收之租金會按租期以直線法撥入損益表。

外幣換算

(a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以港幣呈報，港幣為本集團及本公司的功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit schemes

The Group operates a defined contribution retirement benefits scheme (the Mandatory Provident Fund (“MPF”)) under the MPF Schemes Ordinance, for all of its employees who are eligible to participate in Hong Kong. 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 scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The employees of the Group’s subsidiaries which operate in the People’s Republic of China (the “PRC”) are required to participate in the retirement benefits schemes (the “PRC RB Schemes”) operated by the respective local municipal government in provinces of the PRC that the Group’s subsidiaries operate. These subsidiaries are required to contribute a certain percentage of their payroll costs to the PRC RB Schemes to fund the benefits. The only obligation of the Group with respect to the PRC RB Schemes is to pay the ongoing required contributions under the PRC RB Schemes. Contributions under the PRC RB Schemes are charged to the income statement as they become payable in accordance with the rule of the PRC RB Schemes.

Borrowing costs

All borrowing costs are recognised as expenses in the year in which they are incurred.

5. 主要會計政策 (續)

退休福利計劃

本集團根據強制性公積金計劃條例為其香港全體僱員實施一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪金之固定比例作出，並於根據強積金計劃之規則到期應付時從損益表中扣除。強積金計劃之資產存放於一家獨立管理基金，與本集團之資產分開持有。本集團之僱主供款自注入強積金計劃之時起，即全部歸僱員所有。

本集團於中華人民共和國(「中國」)經營之附屬公司的僱員，均須參予中國各省地方政府管理之退休福利計劃(「中國退休福利計劃」)。此等附屬公司均須按僱員薪金之若干百分比，向中國退休福利計劃作出供款作為福利集資。本集團於中國退休福利計劃之唯一責任乃須持續作出規定之供款。中國退休福利計劃下之供款須根據中國退休福利計劃規則到期支付時在損益表扣除。

借貸成本

所有其他借貸成本乃按其產生期間確認為開支。

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 5, management has made the following judgements that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Allowance for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aged analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Allowance for bad and doubtful debts of approximately HK\$315,000 was made for the year ended 31 March 2006 (2005: HK\$14,790,000)

Allowance for inventories

The management of the Group reviews an aged analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such raw materials based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items. Allowance for inventories of approximately HK\$1,845,000 was made for the year ended 31 March 2006 (2005: HK\$2,044,000).

6. 會計判斷的關鍵及估計不明朗因素之主要來源

當採用附註5所述應用於本集團的會計政策時，管理層曾作出下述的判斷令財務報表中的確認數目有重要影響。於結算當日，有關對未來和不明朗因素之主要來源或有重大風險導致要調整下一個財政年度的資產及負債賬的主要假設現論述如下：

呆壞賬撥備

本集團根據賬款之估計可收回程度及賬齡分析以及管理層之判斷，作出呆壞賬撥備。評估最後落實該等應收款項時，需要作出一定程度之判斷，包括每一位客戶現在的信用可靠度及過去的收賬紀錄。如果本集團的客戶之財務情況變壞，削弱其付款能力，有可能需要做出額外的撥備。截至2006年3月31日之年度內，呆壞賬之撥備約為315,000港元（2005：14,790,000港元）。

存貨撥備

本集團之管理層於每一個結算日檢視賬齡分析，為已識別再不適合用於生產的陳廢及滯銷存貨項目作出撥備。管理層主要以最近期的發票價格和當時市場情況來估計該等原材料的可變現淨值。於每一結算日，本集團按個別產品進行存貨檢查並對陳廢項目作出撥備。截至2006年3月31日之年度內，存貨撥備約為1,845,000港元（2005：2,044,000港元）。

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Contingent liabilities in respect of litigations and claims

The Group has been engaged in a number of litigations and claims in the past. Contingent liabilities arising from these litigations and claims have been assessed by management with reference to legal advice. Provisions on the possible obligation, if appropriate, are made based on management's best estimates and judgements.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Currency risk

Several subsidiaries of the Company have foreign currency sales and borrowings denominated in foreign currencies which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

6. 會計判斷的關鍵及估計不明朗因素之主要來源 (續)

來自訴訟及索賠的或然負債

本集團過去已涉及一些訴訟及索賠。管理層參考了法律意見後已對這些因訴訟及索賠所帶來的或然負債作出評估。根據管理層所作的最佳估計及判斷為可能之責任做準備(如恰當)。

7. 財務風險管理目標及政策

本集團主要金融工具包括貿易及其他應收帳款、銀行結餘及現金、貿易及其他應付帳款、應收貸款及借貸。有關該等金融工具之詳情，已於個別附註內披露。與該等金融工具相關之風險，以及減輕該等風險之政策現載列如下。管理層管理及監控本集團承擔之上述風險，以確保合時有效地實施適當措施。

貨幣風險

本公司之數家附屬公司需要進行以外幣列值之買賣及借貸，使本集團承擔了貨幣風險。本集團現時沒有貨幣對沖政策。但是，管理層會監控該等貨幣風險及在有需要時，將考慮為重大之貨幣承擔作對沖。

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value interest rate risk

The Group's fair value interest rate risks and cash flow interest rate risk relate primarily to fixed-rate and variable-rate borrowings, respectively (see Note 26 for details of these borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

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

Liquidity risk

The Group exposed to significant liquidity risk as at the balance sheet date, it is in net current liabilities of HK\$29,101,000. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of other borrowings. The Group's policy is to minimize borrowings as part of the working capital.

7. 財務風險管理目標及政策 (續)

公平值利率風險

本集團之公平值利率風險及浮動利率借貸之現金流量利率風險分別主要來自定息之借貸(此等借貸之詳情見附註26)。此外,本集團目前並無對沖政策。然而,管理層會監控利率風險,並將於有需要時考慮對沖重大銀行借貸。

信貸風險

一旦對手方未能於2006年3月31日履行責任,本集團就信貸風險所承擔之金額,最多以綜合資產負債表內所述之每項已確認的金融資產之賬面金額為限。為了盡量減低信貸風險,本集團管理層於各結算日審閱各應收貿易帳款之可收回金額,以確保已就未能收回之金額提呈足夠減值虧損。就此而言,本公司董事認為本集團之信貸風險已大大減少。

本集團並無重大集中之信貸風險,且對手方及客戶數目眾多,能夠分散風險。

流動資金風險

本集團於結算日的流動負債淨額為29,101,000港元,承擔著重大流動資金風險。本集團旨在通過利用其他借貸來維持資金延續和彈性之間的平衡。在營運資金方面減少借貸是本集團的政策。

8. TURNOVER

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers during the year and is summarised as follows:

8. 營業額

營業額為本集團向外界顧客出售貨物及提供服務之已收及應收款項淨額，概述如下：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Sales and integration services	銷售及綜合服務	63,242	105,054
Services income	服務收益	13,842	31,697
Contract income	合約收益	145	529
		77,229	137,280

Notes to Financial Statements

財務報表附註

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into three operating divisions – sales and integration services, services income and contract income. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- | | | |
|--------------------------------|---|--|
| Sales and integration services | – | income from sales and service, provision of integration services of computer and communication systems |
| Services income | – | income from design, consultation, production of information system software and management training services |
| Contract income | – | income in connection with the sale of communication systems equipment for intelligent buildings and provision of installation services |

9. 業務及地域分部

業務分部

就管理目的而言，本集團現分為三大營運分部－銷售及綜合服務、服務收益及合約收益。此等分部為本集團呈報其主要分部資料之基準。

主要業務如下：

- | | | |
|---------|---|-------------------------------|
| 銷售及綜合服務 | – | 來自銷售以及提供電腦及通訊系統之綜合服務收益 |
| 服務收益 | – | 來自設計、顧問及製造資訊系統軟件之收益 |
| 合約收益 | – | 來自有關智能建築之通訊系統設備之銷售以及提供安裝服務之收益 |

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Business segments (continued)

Segment information about these business is presented below:

Consolidated Income Statement

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
TURNOVER	營業額				
External sales	向外銷售	63,242	13,842	145	77,229
SEGMENT RESULTS	分部業績	(6,299)	5,516	124	(659)
Unallocated corporate income	未分配公司收入				9,662
Unallocated corporate expenses	未分配公司開支				(7,195)
Profit from operations	經營業務盈利				1,808
Finance costs	融資成本				(2,718)
Share of results of associates	分佔聯營公司業績				(90)
Loss before taxation	除稅前虧損				(1,000)
Taxation	稅項				(388)
Loss for the year	本年虧損				(1,388)

9. 業務及地域分部 (續)

業務分部 (續)

此等業務之分部資料呈列如下：

綜合收益表

Notes to Financial Statements

財務報表附註

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Business segments (continued)

Other information

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	資本增添	6	1	–	–	7
Depreciation	折舊	537	118	1	23	679
Allowance for obsolete inventories	提取陳廢 存貨準備	1,511	331	3	–	1,845
Allowance for other receivables	其他應收賬項撥備	258	56	1	–	315
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	11	2	–	–	13

9. 業務及地域分部 (續)

業務分部 (續)

其他資料

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

As at 31 March 2006

Consolidated Balance Sheet

9. 業務及地域分部 (續)

業務分部 (續)

於2006年3月31日

綜合資產負債表

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產				
Segment assets	分部資產	79,614	17,846	183	97,643
Unallocated corporate assets	未分配公司資產				46,093
Consolidated total assets	綜合總資產				143,736
LIABILITIES	負債				
Segment liabilities	分部負債	83,991	20,923	193	105,107
Unallocated corporate liabilities	未分配公司負債				64,585
Consolidated total liabilities	綜合總負債				169,692

Notes to Financial Statements

財務報表附註

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Consolidated Income Statement

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
TURNOVER	營業額				
External sales	向外銷售	105,054	31,697	529	137,280
Segment results	分部業績	(10,329)	9,209	17	(1,103)
Unallocated corporate expenses	未分配公司開支				(10,917)
Loss from operations	經營業務虧損				(12,020)
Finance costs	融資成本				(2,454)
Share of results of associates	分佔聯營公司業績				791
Loss before taxation	除稅前虧損				(13,683)
Taxation	稅項				(22)
Loss for the year	本年虧損				(13,705)

9. 業務及地域分部 (續)

業務分部 (續)

綜合收益表

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Business segments (continued)

Other information

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	資本增添	49	42	–	–	91
Depreciation and amortisation	折舊及攤銷	1,638	497	8	1,151	3,294
Allowance for obsolete inventories	提取陳廢 存貨準備	1,564	472	8	–	2,044
Allowance for other receivables	其他應收賬項撥備	9,753	2,942	49	2,046	14,790
Impairment loss recognized in respect of property, plant and equipment	物業、廠房及 設備之減值	382	115	2	–	499

9. 業務及地域分部 (續)

業務分部 (續)

其他資料

Notes to Financial Statements

財務報表附註

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

As at 31 March 2005

Consolidated Balance Sheet

		Sales and integration services 銷售及 綜合服務 HK\$'000 千港元	Services income 服務收益 HK\$'000 千港元	Contract income 合約收益 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產				
Segment assets	分部資產	112,153	35,166	565	147,884
Unallocated corporate assets	未分配公司資產				39,265
Consolidated total assets	綜合總資產				187,149
LIABILITIES	負債				
Segment liabilities	分部負債	117,987	36,234	594	154,815
Unallocated corporate liabilities	未分配公司負債				56,902
Consolidated total liabilities	綜合總負債				211,717

9. 業務及地域分部 (續)

業務分部 (續)

於2005年3月31日

綜合資產負債表

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Geographical segments

No geographical segment analysis is provided as substantially all of the Group's turnover and contribution to results were derived from the People's Republic of China.

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

9. 業務及地域分部 (續)

地域分部

本集團絕大部份營業額及業績貢獻乃源自中國，故此並無按地域分部作出分析。

以下乃分部資產賬面值及物業、廠房及設備之增添，按有關資產所在地作出分析。

		Carrying amount of segment assets		Additions to property, plant and equipment	
		分部資產之賬面值		物業、廠房及 設備之增添	
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	37,837	31,719	-	-
PRC, excluding Hong Kong	中國，不包括香港	105,899	155,430	7	91
		143,736	187,149	7	91

Notes to Financial Statements

財務報表附註

10. OTHER OPERATING INCOME

Other operating income comprises:

10. 其他經營收益

其他經營收益包括：

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	24	10
Dividend income from financial assets at fair value through profit and loss	透過損益賬按公允價值處理之金融資產的股息收入	293	391
Exchange gain	匯兌收益	11	8
Other operating income	其他經營收益	1,420	605
Unrealised holding gain on financial assets at fair value through profit and loss	透過損益賬按公允價值處理之金融資產的未變現收益	9,106	1,208
Waiver of borrowings	借貸的減免	2,057	—
		12,911	2,222

11. PROFIT/(LOSS) FROM OPERATIONS

11. 經營業務盈利／（虧損）

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit/(Loss) from operations has been arrived after charging:	經營業務盈利／（虧損）已扣除下列各項達至：		
Allowance for obsolete inventories	提取陳廢存貨準備	1,845	2,044
Allowance for other receivables	其他應收賬項撥備	315	14,790
Auditors' remuneration	核數師酬金	400	400
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	679	1,266
Amortisation of goodwill	商譽攤銷	–	2,028
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	13	–
Realised loss on financial assets at fair value through profit and loss	透過損益賬按公允價值處理的金融資產的已變現虧損	265	221
Impairment loss recognized in respect of property, plant and equipment	物業、廠房及設備已變現之減值虧損	–	499
Staff costs (including directors' emoluments – note 13)	員工成本（包括董事酬金－附註13）		
– salaries and allowance	薪金及津貼	10,450	14,873
– provident fund contributions	退休福利計劃及強積金供款	61	184

Notes to Financial Statements

財務報表附註

12. FINANCE COSTS

12. 融資成本

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank overdrafts	銀行貸款及透支	4	–
Interest on borrowings wholly repayable within five years	須於五年內悉數償還之借貸	2,714	2,071
Loan arrangement and restructuring charges	貸款安排及重組費用	–	383
		2,718	2,454

13. DIRECTORS' EMOLUMENTS

The aggregate amounts of emoluments paid and payable to directors of the Company during the year are as follows:

13. 董事酬金

本年度·已付及應付董事酬金予董事們的酬金總數詳情如下：

Name of director	董事姓名	Salaries and	Provident	2006
		Fees	fund	Total
		other	contribution	emoluments
		benefits		
		薪金及	退休金或	2006年
		袍金	強積金供款	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<i>Executive directors</i>	執行董事			
Zou Yishang	鄒藝尚	–	2,000	2,012
Chow King Kin, Theresa	鄒景蓮	–	624	636
Hu Jian	胡建	–	120	178
Cui Jingya	崔靜亞	–	110	110
Zou Yicheng	鄒藝成	–	266	266
		–	3,120	3,202
<i>Independent non-executive directors</i>	獨立非執行董事			
Wang Xiangfei	王翔飛	120	–	120
Xu Xiaosheng	許小勝	120	–	120
Zhao Renwei	趙人偉	–	–	–
		240	–	240
<i>Non-executive director</i>	非執行董事			
Weng Xianding	翁先定	240	–	240
		480	3,120	3,682

Notes to Financial Statements

財務報表附註

13. DIRECTORS' EMOLUMENTS (continued)

13. 董事酬金 (續)

Name of director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Provident fund contribution 退休金或強積金供款 HK\$'000 千港元	2005 Total emoluments 2005年總額 HK\$'000 千港元
<i>Executive directors</i> 執行董事					
Zou Yishang	鄒藝尚	–	2,000	12	2,012
Chow King Kin, Theresa	鄒景蓮	–	624	12	636
Magdalene Halasz	Magdalene Halasz	–	372	–	372
Hu Jian	胡建	–	783	78	861
		–	3,779	102	3,881
<i>Independent non-executive directors</i> 獨立非執行董事					
Wang Xiangfei	王翔飛	60	–	–	60
Xu Xiaosheng	許小勝	60	–	–	60
Zhao Renwei	趙人偉	50	–	–	50
		170	–	–	170
<i>Non-executive director</i> 非執行董事					
Weng Xianding	翁先定	894	–	–	894
		1,064	3,779	102	4,945

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2005: four) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2005: one) individuals were as follows:

14. 僱員酬金

本集團內五位最高薪人士，包括兩位（2005：四位）董事，彼等酬金之詳情已於附註13中披露。餘下三位之酬金（2005年：1位）如下：

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	916	712
Provident fund contributions	退休福利計劃及強積金供款	22	23
		938	735
		Number of employees	
		僱員數目	
		2006	2005
Their emoluments were within the following band:	僱員之酬金界乎下列範圍：		
HK\$1,000,000 or below	1,000,000港元或以下	3	1

Notes to Financial Statements

財務報表附註

15. TAXATION

15. 稅項

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Taxation charge comprises:	稅項支出包括：		
Taxation in the PRC:	中國稅項		
– current year	– 本年度	220	22
Deferred tax:	遞延稅項：		
– charge for the year (note 28)	– 年度支出 (附註28)	168	–
		388	22

No Hong Kong Profits Tax has been provided in the financial statements as the Company has sustained a loss for the year (2005: Nil).

Taxation in the PRC is calculated at the rates of taxation prevailing in the PRC. Certain subsidiaries of the Group operating in the PRC are eligible for certain tax exemptions and concessions. Accordingly, PRC income tax has been provided taking into account of these tax exemptions and concessions.

由於本集團本個年度並無應課稅溢利，故並無就香港利得稅於財務報表作出撥備（2005年：零）。

中國稅項按中國現行稅率計算。本集團於中國經營之若干附屬公司均符合資格享有若干稅項豁免及寬減。因此，中國所得稅已計及該等稅項豁免及寬免作出撥備。

15. TAXATION (continued)

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

Loss before taxation	除稅前虧損
Tax at the applicable income tax rate	按適用之稅率計算之稅項
Tax effect of expenses not deductible for tax purposes	不能扣稅開支之稅務影響
Tax effect of income not taxable for tax purposes	毋須納稅收入之稅務影響
Tax losses carried forward	結轉之稅務虧損
Deferred taxation	遞延稅項
Effect of PRC taxation	中國課稅之影響
Taxation charge	稅務支出

Details of deferred taxation are set out in note 28 to the financial statements.

16. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to shareholders of HK\$1,210,000 (2005: HK\$13,737,000) and on weighted average number of ordinary shares in issue during the year of 1,391,162,483 (2005: 1,391,162,483) shares.

Diluted loss per share amounts for the years ended 31 March 2006 and 2005 have not been calculated because the share options outstanding during these years had an anti-dilutive effect on the basic loss per share.

15. 稅項 (續)

本年度稅項支出調節至綜合收益表中的虧損如下:

2006	2005
HK\$'000	HK\$'000
千港元	千港元
(1,000)	(13,683)
(175)	(2,395)
4,248	8,883
(4,380)	(6,488)
307	–
168	–
220	22
388	22

遞延稅項詳情載於財務報表附註28。

16. 每股虧損

每股基本虧損乃按本年度股東應佔虧損 1,210,000 港元 (2005 年: 虧損 13,737,000 港元) 及年內已發行普通股加權平均數 1,391,162,483 股 (2005 年: 1,391,162,483 股) 計算。

由於截至 2006 年及 2005 年 3 月 31 日止年度尚未行使購股權對每股基本虧損造成攤薄影響, 故此並未計算該等年度之每股攤薄虧損。

Notes to Financial Statements

財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

THE GROUP

本集團

		Building	Leasehold improve- ments	Furniture, fixtures and office equipment	Total
		樓宇	租賃物業 裝修	傢俬、裝置及 辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
COST	成本				
At 1 April 2004	於2004年4月1日	2,267	66	6,213	8,546
Additions	增添	–	–	91	91
Write-off	報廢	–	–	(1)	(1)
		<hr/>			
At 1 April 2005	於2005年4月1日	2,267	66	6,303	8,636
Additions	增添	–	–	7	7
Write-off	報廢	–	–	(155)	(155)
Exchange adjustments	匯率調整	58	2	141	201
		<hr/>			
At 31 March 2006	於2006年3月31日	2,325	68	6,296	8,689
		<hr/>			
DEPRECIATION	折舊				
At 1 April 2004	於2004年4月1日	690	–	4,014	4,704
Provided for the year	本年度撥備	122	66	1,078	1,266
Eliminated on write-off	於報廢時撇銷	–	–	(1)	(1)
Impairment loss	減值虧損	499	–	–	499
		<hr/>			
At 1 April 2005	於2005年4月1日	1,311	66	5,091	6,468
Provided for the year	本年度撥備	124	–	555	679
Eliminated on write-off	於報廢時撇銷	–	–	(131)	(131)
Exchange adjustments	匯率調整	28	2	129	159
		<hr/>			
At 31 March 2006	於2006年3月31日	1,463	68	5,644	7,175
		<hr/>			
NET BOOK VALUE	賬面淨值				
At 31 March 2006	於2006年3月31日	862	–	652	1,514
		<hr/>			
At 31 March 2005	於2005年3月31日	956	–	1,212	2,168
		<hr/>			

The building is situated in the PRC and held under medium term lease.

位於中國之樓宇是以中期租賃方式持有。

17. PROPERTY, PLANT AND EQUIPMENT (continued)

17. 物業、廠房及設備 (續)

THE COMPANY

本公司

		Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元
COST	成本	
At 1 April 2004 and at 1 April 2005	於2004年4月1日及2005年4月1日	71
Write-off	報廢	(71)
		<hr/>
At 31 March 2006	2006年3月31日	<hr/> – <hr/>
DEPRECIATION	折舊	
At 1 April 2004	於2004年4月1日	63
Charge for the year	本年度撥備	8
		<hr/>
At 1 April 2005	於2005年4月1日	71
Eliminated on write-off	於報廢時撇銷	(71)
		<hr/>
At 31 March 2006	於2006年3月31日	<hr/> – <hr/>
NET BOOK VALUE	賬面淨值	
At 31 March 2006	於2006年3月31日	<hr/> – <hr/>
At 31 March 2005	於2005年3月31日	<hr/> – <hr/>

Notes to Financial Statements

財務報表附註

18. GOODWILL

18. 商譽

		THE GROUP
		本集團
		HK\$'000
		千港元
COST	成本	
At 1 April 2004 and 1 April 2005	於2004年4月1日及2005年4月1日	30,519
Elimination of accumulated amortisation upon the application of HKFRS 3	因採納香港財務報告準則第3號而撇銷之累計攤銷	(8,200)
At 31 March 2006	於2006年3月31日	22,319
AMORTISATION	攤銷	
At 1 April 2004	於2004年4月1日	6,172
Amortise for the year	本年度攤銷	2,028
At April 1, 2005	於2005年4月1日	8,200
Elimination of accumulated amortization upon application of HKFRS 3	因採納香港財務報告準則第3號而撇銷之累計攤銷	(8,200)
At 31 March 2006	於2006年3月31日	-
CARRYING AMOUNT	賬面值	
At 31 March 2006	於2006年3月31日	22,319
At 31 March 2005	於2005年3月31日	22,319

19. INTERESTS IN SUBSIDIARIES

19. 於附屬公司之投資

		THE COMPANY	
		本公司	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	未上市股份·以成本值	108,202	108,202
Less: Impairment loss	減:減值虧損	(108,192)	(108,192)
		10	10

Particulars of the Company's subsidiaries as at 31 March 2006 are set out in note 40 to the financial statements.

本公司附屬公司於2006年3月31日之詳情載於財務報表附註40。

20. INTERESTS IN ASSOCIATES

20. 於聯營公司之權益

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets	佔聯營公司之資產淨值	7,318	7,331
Discount on acquisition of an associate	收購一間聯營公司之折讓	(2,584)	(2,584)
		4,734	4,747

Notes to Financial Statements

財務報表附註

20. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates at 31 March 2006 are as follows:

Name	Country of establishment	Principal place of operation	Proportion of nominal value of registered capital held by the Group	Nature of business
名稱	成立地點	業務所在地	本集團持有股本權益比重	業務性質
北京合力金橋軟件技術 有限責任公司	PRC 中國	PRC 中國	39%	Provision of telecommunication infrastructure solution service 提供通訊基礎設備解決方案服務
北京合力紅帆自動化技術有限公司	PRC 中國	PRC 中國	25.5%	Inactive 不活躍

The summarized financial information in respect of the Group's associates is set out below:

20. 於聯營公司之權益 (續)

本集團之聯營公司於2006年3月31日之詳情如下:

本集團之聯營公司之財務資料撮要如下:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Total assets	資產總值	50,567	49,416
Total liabilities	負債總值	(10,616)	(10,176)
Net assets	資產淨值	39,951	39,240
Group's share of associates' net assets	本集團應佔 聯營公司資產淨值	7,946	7,805
Exchange adjustments	滙率調整	(628)	(474)
Less: Allowance for bad and doubtful debt	減: 呆壞賬撥備	(2,584)	(2,584)
		4,734	4,747

20. INTERESTS IN ASSOCIATES (continued)

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入	8,674	8,684
(Loss)/Profit for the year	本年度(虧損)/盈利	(453)	3,946
Group's share of associates' (loss)/profit for the year	本集團分佔聯營公司本年度之(虧損)/盈利	(90)	791

20. 於聯營公司之權益(續)

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入	8,674	8,684
(Loss)/Profit for the year	本年度(虧損)/盈利	(453)	3,946
Group's share of associates' (loss)/profit for the year	本集團分佔聯營公司本年度之(虧損)/盈利	(90)	791

21. INVENTORIES

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原料及消耗品	-	1,935
Work in progress	在製品	42,581	48,012

21. 存貨

THE GROUP		2006	2005
本集團		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原料及消耗品	-	1,935
Work in progress	在製品	42,581	48,012
		42,581	49,947

The raw materials and consumables are carried at net realizable value.

原料及消耗品乃以可變現淨值入賬。

Notes to Financial Statements

財務報表附註

22. TRADE AND OTHER RECEIVABLES

According to the contracts entered into with trade customers, an average of 90% of the contract revenue is normally repayable within 90 days from the date of receipt of customers' acceptance, whereas the remaining 10% of trade receivables represent retentions held by customers which are normally due one year after project completed. The following is an aging analysis of trade receivables included in trade and other receivables at the balance sheet date:

Trade receivables:	貿易應收賬款：
0 – 30 days	0至30日
31- 90 days	31至90日
Over 90 days	90日以上
Other receivables	其他應收賬款

22. 貿易及其他應收賬款

根據與貿易客戶訂立之合約，平均90%之合約收益一般須於收訖客戶接納書日期起計90日內支付，而餘下10%貿易應收賬款乃客戶持有之保證金，一般須於合同完成一年後清償。以下為計入結算日貿易及其他應收賬款之貿易應收賬款之賬齡分析：

THE GROUP		2006	2005
本集團		HK\$'000	HK\$'000
		千港元	千港元
		1,044	3,190
		842	4,350
		23,531	44,657
		25,417	52,197
		18,472	30,012
		43,889	82,209

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed investments	上市投資
– Equity shares in Hong Kong, at market value	– 於香港之股份，按市值

23. 透過損益賬按公允價值處理之金融資產

THE GROUP		2006	2005
本集團		HK\$'000	HK\$'000
		千港元	千港元
		18,622	12,644

24. AMOUNTS DUE FROM RELATED COMPANIES

The amounts due are unsecured, interest-free and repayable on demand.

25. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables included in trade and other payables at the balance sheet date:

24. 關連公司欠款

此結欠款項乃無抵押、免息及須於要求時償還。

25. 貿易及其他應付賬款

以下為計入結算日貿易及其他應付賬款之賬齡分析：

		THE GROUP	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables:	貿易應付賬款：		
0 – 90 days	0至90日	2,984	3,443
91 -180 days	91至180日	5,618	1,480
Over 180 days	180日以上	40,353	66,764
		48,955	71,687
Other payables	其他應付賬款	50,389	59,469
		99,344	131,156

Notes to Financial Statements

財務報表附註

26. BORROWINGS

26. 借貸

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Borrowings	借貸	40,911	41,867	8,049	9,969
Analysed as:	按下列分析:				
Secured	有抵押	2,700	4,331	-	-
Unsecured	無抵押	38,211	37,536	8,049	9,969
		40,911	41,867	8,049	9,969
		THE GROUP 本集團		THE COMPANY 本公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Borrowings are repayable:	應償還之借貸:				
Within one year	一年內	16,886	22,881	8,049	9,716
In the second to fifth years inclusive	兩年後 但不超過五年	24,025	18,986	-	253
		40,911	41,867	8,049	9,969
Less: Amount due within one year shown under current liabilities	減: 須於一年內償還 以及呈列 為流動負債	(16,886)	(22,881)	(8,049)	(9,716)
Balance due after one year	超過一年後到期償還	24,025	18,986	-	253

As described in note 2, the directors are of the opinion that the Group can obtain the support from the creditors to reschedule those loans for a further period of time.

Details of the assets of the Group pledged to secure borrowings are set out in note 33 to the financial statements.

誠如附註2所述，董事認為，本集團可獲債權人支持，重新延長該等貸款之還款期。

本集團用作抵押以取得借貸之資產之詳情載於財務報表附註33。

27. CONVERTIBLE BONDS

Pursuant to the subscription letter dated 20 May 1998 made between Baring Asia Flagship Investments B.V. and the Company, the convertible bonds (the "Bonds") in the principal amount of US\$6,000,000 (equivalent to approximately HK\$46,476,000) were issued by the Company at the direction of Baring Asia Flagship Investments B.V. on 30 June 1998 to Baring Asia Investments II B.V. The Bonds were transferred in or about July 2000 to BAPEF Investments II Limited (the "Bondholder").

The Bonds were, at the option of the Bondholder, convertible on or after 1 July 1998 up to and including 30 June 2001, into fully paid ordinary shares of the Company with a par value of HK\$0.10, at an initial conversion price of HK\$0.588 per share, subject to adjustment under certain events.

Unless previously redeemed, converted, purchased or cancelled, the Company is required to redeem the Bonds on the original maturity date at 133.75%. An amount of US\$2,400,000 (equivalent to approximately HK\$18,600,000) was cancelled upon repurchase by the Company during the year ended 31 March 1999. As at 31 March 2000 and 31 March 2001, the outstanding balance of the Bonds was US\$3,600,000 (equivalent to approximately HK\$28,031,000).

27. 可換股債券

根據Baring Asia Flagship Investments B.V.與本公司於1998年5月20日訂立之認購書，本公司於1998年6月30日按Baring Asia Flagship Investments B.V.之指示，發行本金額達6,000,000美元（相等於約46,476,000港元）之可換股債券（「債券」）予Baring Asia Investments II B.V.。債券已於2000年7月或前後轉讓予BAPEF Investments II Limited（「債券持有人」）。

按債券持有人選擇，債券可於1998年7月1日或之後至2001年6月30日（「包括該日」）以初步換股價每股0.588港元（可就發生若干事件而作調整）兌換為本公司每股面值0.10港元之繳足普通股。

除非之前已進行贖回、兌換、購回或註銷，否則本公司須於原定到期日按133.75%贖回債券。本公司於截至1999年3月31日止年度內進行購回時註銷共2,400,000美元（相等於約18,600,000港元）。於2000年3月31日及2001年3月31日，債券之未償還餘額為3,600,000美元（相等於約28,031,000港元）。

27. CONVERTIBLE BONDS (continued)

On 7 June 2001, the Company entered into an agreement with Able Technology Limited and the Bondholder pursuant to which the maturity date of the convertible bonds would be extended to 30 June 2003. The conversion price has been revised to HK\$0.25 per share, subject to adjustment under certain events. The conversion time of the Bonds is fixed at 31 December 2001, 30 June 2002, 31 December 2002 and 30 June 2003 (or such other time as the Company and Bondholder may agree) to convert US\$900,000 (equivalent to approximately HK\$7,020,000) on each date. In addition, all accrued interest from 30 June 1998 to the completion of the agreement was waived by the Bondholder in August 2001 upon issuance of 6.88 million ordinary shares of the Company to the Bondholder. In accordance with the supplemental deed entered into by the Company and the Bondholder on 9 August 2001, subject to the due performance by the Company and there being no event of default or potential event of default, the Bonds will not bear any interest. In the circumstances where there is any event of default or potential event of default, interest will be payable on the outstanding principal amount of the Bonds at 2% per annum.

On 28 December 2001, approximately 30.7 million ordinary shares of the Company at a conversion price of HK\$0.2366 were issued to the Bondholder to convert the principal amount of Bonds of US\$900,000 (equivalent to approximately HK\$7,020,000) together with the administrative charges of US\$31,770 (equivalent to approximately HK\$248,000).

On 30 June 2002, approximately 32.5 million ordinary shares of the Company at a conversion price of HK\$0.2236 were issued to the Bondholder to convert the principal amount of Bonds of US\$900,000 (equivalent to approximately HK\$7,020,000) together with the administrative charges of US\$31,770 (equivalent to approximately HK\$248,000).

27. 可換股債券 (續)

於2001年6月7日，本公司、Able Technology Limited與債券持有人訂立一項協議，據此，可換股債券之到期日將順延至2003年6月30日。換股價已修訂為每股0.25港元（可就發生若干事件而作調整）。債券之兌換時間定於2001年12月31日、2002年6月30日、2002年12月31日以及2003年6月30日（或本公司與債券持有人可能協定之其他日期），並於每個兌換日期兌換900,000美元（相等於約7,020,000港元）。此外，由1998年6月30日至協議完成之日之所有應計利息，已被債券持有人經就發行本公司6,880,000股普通股予債券持有人後，於2001年8月予以放棄。根據本公司與債券持有人於2001年8月9日訂立之補充契據（惟本公司須妥為履行職責及並無發生違約事項或潛在違約事件所規限），債券將不附有利息。在發生任何違約或潛在違約事件之情況下，利息將以年率2%按未償還本金額計算。

於2001年12月28日，本公司以兌換價0.2366港元向債券持有人發行約30,700,000股普通股，以兌換本金額共900,000美元（相等於約7,020,000港元）之債券及行政費用31,770美元（相等於約248,000港元）。

於2002年6月30日，本公司以兌換價0.2236港元向債券持有人發行約32,500,000股普通股，以兌換本金額共900,000美元（相等於約7,020,000港元）之債券及行政費用31,770美元（相等於約248,000港元）。

27. CONVERTIBLE BONDS (continued)

The Bondholder did not exercise the rights to convert the principal amount of Bonds of US\$1,800,000 which were fixed to be converted on 31 December 2002 and 30 June 2003.

On 23 September 2003, the Bondholder agreed with the Company to extend the maturity date of the outstanding Bonds to 31 December 2005. Up to the date of this report, the Company is still in the process of negotiating with the Bondholder to extend the maturity date of the outstanding bonds.

Changes in the balance of the convertible bonds are as follows:

27. 可換股債券 (續)

債券持有人於2002年12月31日及2003年6月30日之既定兌換日期並未行使兌換權利，兌換本金額1,800,000美元之債券。

於2003年9月23日，債券持有人與本公司同意延長尚未行使之債券之到期日至2005年12月31日。直至本年報日，本公司仍處於與債券持有人商議延長餘下債券之到期日。

可換股債券之結餘之變動如下：

		THE GROUP & THE COMPANY	
		本集團及本公司	
		USD'000	HK\$'000
		千美元	千港元
		equivalent	
		(同等值)	
Balance as at 1 April 2005 and 31 March 2006	於2005年4月1日及 2006年3月31日 之結餘	1,800	14,040

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28. DEFERRED TAXATION

THE GROUP

Balance at 1 April 2005	於2005年4月1日之結餘
Charge to income statement	於收益表扣除
Balance at 31 March 2006	於 2006年3月31日 之結餘

Neither the Group nor the Company had any other significant unprovided deferred taxation for the year or at the balance sheet date.

28. 遞延稅項

本集團

Others
其他
HK\$'000
千港元

1,229
168

1,397

本集團及本公司於年內或於結算日並無任何重大未撥備遞延稅項。

29. SHARE CAPITAL

Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股
Authorised:	法定股本：
At 31 March 2005 and 31 March 2006	2005年3月31日及 2006年3月31日
Issued and fully paid:	已發行及繳足股本：
At 31 March 2005 and 31 March 2006	2005年3月31日及 2006年3月31日

29. 股本

Number of
shares
股份數目
'000
千股

Share
capital
股本
HK\$'000
千港元

3,000,000 300,000

1,391,163 139,116

30. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 22 January 2001.

Summary of the Scheme

(a) Purpose of the Scheme

The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group and to retain the services of the employees who will continue to make valuable contribution to the Group.

(b) Participants of the Scheme

Pursuant to the Scheme, the Board may grant options to any full-time employees of the Company or its subsidiaries, including executive directors in full-time employment of the Company or any subsidiary, to subscribe for shares in the Company.

(c) Total number of shares available for issue under the Scheme

As at 31 March 2006, the total number of shares of the Company available for issue under the options granted pursuant to the Scheme was 48,619,000, representing approximately 3.49% of the issued share capital of the Company as at 31 March 2006.

The total number of shares, in respect of which options may be granted under the Scheme, is not permitted to exceed 10% of the shares of the Company in issue at any point of time.

30. 購股權計劃

本公司購股權計劃（「該計劃」）乃根據2001年1月22日通過之一項決議案而採納。

該計劃之概要

(a) 該計劃之目的

該計劃旨在向對本集團能取得佳績而有所貢獻之合資格參與人提供鼓勵及獎勵，以及挽留持續為本集團作出寶貴貢獻之僱員。

(b) 該計劃之參與人

根據該計劃，董事會可向本公司或其附屬公司之任何全職僱員（包括本公司或任何附屬公司之全職執行董事）授出購股權，以認購本公司股份。

(c) 根據該計劃可予發行之股份總數

於2006年3月31日，本公司根據該計劃授出之購股權而可予發行之本公司股份總數為48,619,000股，佔本公司於2006年3月31日已發行股本約3.49%。

與根據該計劃可能授出之購股權有關之股份總數，不得超過本公司於任何時間已發行股份之10%。

30. SHARE OPTION SCHEME (continued)

Summary of the Scheme (continued)

(d) Maximum entitlement of each participant

No participant shall be granted an option which, if exercised in full, would result in such person's maximum entitlement exceeding 25% of the aggregate number of shares of the Company for the time being issued and issuable under the Scheme.

(e) Time of exercise of options

Pursuant to the Scheme, an option may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board to each grantee and in any event shall not exceed 10 years from the date of offer of the option.

(f) Payment on acceptance of option

Pursuant to the Scheme, HK\$1 is payable by each grantee to the Company on acceptance of the option within the period to be notified by the Board.

(g) Basis of determining the subscription price

The subscription price per share under the Scheme is determined by the Board and notified to the grantee and shall be no less than the higher of:

- (i) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of grant;
- (ii) the closing price of the Company's shares as quoted on the Stock Exchange on the date of grant; and
- (iii) the nominal value of the share of the Company.

30. 購股權計劃 (續)

該計劃之概要 (續)

(d) 各參與人之授權上限

倘購股權獲悉數行使時，將導致參與人之授權上限超過本公司當時已發行及根據該計劃可予發行之股份總數之25%，則概無任何參與人可獲授購股權。

(e) 購股權行使時間

根據該計劃，購股權可根據該計劃之條款於董事會通知各承授人持有購股權之期間屆滿後，任何時間予以行使，惟無論如何不得超過提出授出購股權當日起計後10年。

(f) 接納購股權付款

根據該計劃，各承授人於董事會通知之期間內接納購股權時，須向本公司支付1港元。

(g) 釐定認購價之基準

根據該計劃，每股股份之認購價由董事會釐定，並通知承授人，惟認購價不得低於以下之較高者：

- (i) 本公司股份於緊接授出當日前五個交易日於聯交所所報之平均收市價；
- (ii) 本公司股份於授出當日於聯交所所報之收市價；及
- (iii) 本公司股份之面值。

30. SHARE OPTION SCHEME (continued)

Summary of the Scheme (continued)

(h) Remaining life of the Scheme

The Scheme will remain valid until 21 January 2011.

Share Options

The following table discloses details of the Company's share options held by employees (including directors) and movement in such holdings during the year.

Date of grant	Exercisable period	Subscription Price per share	Number of share options 購股權數目		
			Outstanding at 1 April 2005 於2005年 4月1日 尚未行使	Lapsed during the year 於年內失效	Outstanding at 31 March 2006 於2006年 3月31日 尚未行使
3 August 2001 2001年8月3日	3 August 2001 to 2 August 2011 (Note a) 2001年8月3日至 2011年8月2日 (附註a)	0.3672	2,000,000	–	2,000,000
29 August 2001 2001年8月29日	29 August 2001 to 28 August 2011 (Note b) 2001年8月29日至 2011年8月28日 (附註b)	0.3520	46,619,000	–	46,619,000
			48,619,000	–	48,619,000

30. 購股權計劃 (續)

該計劃之概要 (續)

(h) 該計劃之剩餘年期

該計劃將於2011年1月21日前一直有效。

購股權

下表披露僱員(包括董事)持有之本公司購股權及所持有購股權於年內之變動詳情:

30. SHARE OPTION SCHEME (continued)

Share Options (continued)

Note a: The options are immediately vested on the date of grant.

Note b: The options have vested in four tranches in the proportion of 15% : 25% : 30% : 30%. The first, the second, the third and the fourth tranches of the options has vested on 1 April 2002, 1 April 2003, 1 April 2004 and 1 April 2005 respectively.

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

30. 購股權計劃 (續)

購股權 (續)

附註a: 購股權於授出當日即時歸屬。

附註b: 購股權將按15% : 25% : 30% : 30%之比例分四部份歸屬。購股權之第一批、第二批、第三批及第四批已分別於2002年4月1日、2003年4月1日及2004年4月1日及2005年4月1日獲歸屬。

在購股權獲行使前，已授出購股權之財務影響並無記錄於本公司或本集團之資產負債表，亦無就其成本於收益表或資產負債表記錄支出。於購股權獲行使時，本公司將按股份面值將所產生之已發行股份記錄為額外股本，而每股股份行使價超出股份面值之數額則記入股份溢價賬。於行使日期前失效或註銷之購股權將從尚未行使購股權之登記冊內刪除。

31. RESERVES

THE COMPANY

		Share premium	Contributed surplus	Accumulated losses	Total
		股份溢價	實繳盈餘	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2004	於2004年4月1日	383,117	107,992	(661,887)	(170,778)
Loss for the year	本年度虧損	-	-	(5,993)	(5,993)
At 1 April 2005	於2005年3月31日	383,117	107,992	(667,880)	(176,771)
Loss for the year	本年度虧損	-	-	(4,699)	(4,699)
At 31 March 2006	於2006年3月31日	383,117	107,992	(672,579)	(181,470)

The contributed surplus of the Company represents the difference between the fair value of the consolidated net assets of Chun Tai (BVI) Limited acquired and the nominal value of the Company's shares issued in exchange therefore.

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

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

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

31. 儲備

本公司

本公司之實繳盈餘為所收購Chun Tai (BVI) Limited 綜合資產淨值之公平價值與為交換該等資產而發行之本公司股份面值兩者之差額。

根據百慕達1981年公司法(經修訂), 實繳盈餘亦可供分派予股東。然而, 倘:

- 本公司未能或於作出派付後將未能支付其即將到期之負債; 或
- 本公司之資產之變現值將因此少於其負債及已發行股本及股份溢價賬之總額, 則一家公司將不可宣派或派付股息或分派實繳盈餘。

董事認為, 本公司於2006年及2005年3月31日並無可供派付予股東之儲備。

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32. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

32. 年內融資變動之分析

		Minority interests 少數股東權益 HK\$'000 千港元	Share capital and premium 股本及溢價 HK\$'000 千港元	Borrowings 借貸 HK\$'000 千港元
At 1 April 2004	於2004年4月1日	3,505	522,233	42,879
Repayments during the year	本年度償還款項	–	–	(1,012)
Share of profit of subsidiaries by minority interests	少數股東分佔 附屬公司虧損	32	–	–
At 1 April 2005	於2005年4月1日	3,537	522,233	41,867
Addition during the year	本年度增加	–	–	400
Waiver of borrowings during the year	本年度借貸的減免	–	–	(2,057)
Effect on exchange difference and interest payable	受滙兌及應付利息之影響	–	–	721
Repayments during the year	年內償還款項	–	–	(20)
Share of loss of subsidiaries by minority interests	少數股東分佔 附屬公司盈利	(178)	–	–
At 31 March 2006	於2006年3月31日	3,359	522,233	40,911

33. PLEDGE OF ASSETS

As at 31 March 2006, financial assets at fair value through profit or loss of HK\$11,520,000 (2005: HK\$12,644,060) were pledged to secure the borrowings of the Group.

33. 資產抵押

於2006年3月31日，透過損益賬按公允價值處理之金融資產價值11,520,000港元（2005年：12,644,060港元）已抵押作為本集團借貸之擔保。

34. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Minimum lease payments paid under operating leases during the year

年內根據經營租約之最低租金

At 31 March 2006, the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and building as follows:

Within one year

In the second to fifth years inclusive

一年內

第二至第五年

Operating lease payments represent rentals payable by the Group for certain of its office premises. The lease typically runs for an initial year of two years, with an option to renew the lease when all terms are renegotiated.

34. 經營租約安排

本集團作為承租人

THE GROUP
本集團

2006	2005
HK\$'000	HK\$'000
千港元	千港元

1,554	1,679
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於2006年3月31日，本集團根據不可撤銷經營租約而須支付之未來最低租金如下：

THE GROUP
本集團

2006	2005
HK\$'000	HK\$'000
千港元	千港元

280	1,414
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132	479
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412	1,893
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經營租約租金指本集團租賃若干辦公室物業應付之租金。租金乃經各方磋商，而租約平均為期兩年，並可選擇在所有條款重新磋商後重續租約。

Notes to Financial Statements

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35. CONTINGENT LIABILITIES

Guarantee given in respect of borrowings granted to subsidiaries 就授予附屬公司之其他貸款而提供之擔保

THE GROUP 本集團		THE COMPANY 本公司	
2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
-	-	19,177	18,733

36. LITIGATIONS

(a) Shenzhen Longtai Technology Limited (“Shenzhen Longtai”) initiated legal proceedings against the Company for a sum of approximately HK\$1.1 million arising out of alleged monies payable for goods sold and delivered to a former subsidiary of the Company. On 5 May 2004, the High Court ordered Shenzhen Longtai to place a deposit of HK\$300,000 as security costs by 10 August 2004. Court proceedings will only be resumed after the deposit is placed. As at the date of this report, the Company has not been informed by the Court that Shenzhen Longtai has made such deposit.

(b) Showa Leasing (Hong Kong) Limited (“Showa HK”), a hire purchase creditor to which the Company owed indebtedness in aggregate of approximately HK\$6.4 million, has filed a winding-up petition against the Company on 2 May 2003. On 18 August 2003, the winding-up petition was dismissed and the Company has agreed with Showa HK to settle the principal amount and related interest payable by 30 monthly installment starting from August 2003. On 7 November 2003, the Company also executed a debenture charging all undertakings, assets and receivables as a continuing security for payment of the indebtedness (“High Court Action No. 4034 of 2002”).

35. 或然負債

36. 訴訟

(a) 深圳隆泰科技發展有限公司(「深圳隆泰」)就已售出及交付予本公司前附屬公司之貨品而指稱應付之款項向本公司提出有關約1,100,000港元款項之訴訟。於2004年5月5日,高等法院頒令深圳隆泰需於2004年8月10日前額外存入300,000港元作為訴訟保證金。待存入上述款項後,法院訴訟方會再繼續進行。截至本年報日,法院並未通知本公司深圳隆泰已存入上述款項。

(b) 本公司欠合共約6,400,000港元債項之租購合約債權人 Showa Leasing (Hong Kong) Limited (「Showa HK」)於2003年5月2日向本公司發出清盤呈請。於2003年8月18日,清盤呈請遭撤銷,而本公司已同意於2003年8月起分三十個月清償本金額及應付之相關利息。於2003年11月7日,本公司同意簽署一項債權證,以所有相關資產及應收款項作為償還債項之持續抵押。(「民事訴訟2002年第4034宗」)

36. LITIGATIONS (continued)

On 26 February 2004, the Company served a Writ of Summons upon Showa HK (“High Court Action No. 445 of 2004”). By an assignment made and dated 14 March 2002, Showa HK had assigned and transferred all its benefits, interests and title of certain machineries under various lease agreements to the Company. Despite repeated requests from the Company, Showa HK has not yet fulfilled its obligations to transfer title of the machineries to the Company under the assignment.

On August 1, 2006, the Company signed a settlement agreement and a Consent Order with Showa HK. Upon signing of the Consent Order, Showa HK will not enforce the judgement granted in High Court Action No. 4034 of 2002 against the Company within 35 days from the date of the Consent Order and the Company will pay a sum of HK\$821,000 to Showa HK within 35 days from the date of the Consent Order. Upon compliance of all the terms above, each party be discharged from (a) all liabilities arising out of all the subject matters of both High Court Action No. 4034 of 2002 and High Court Action No. 445 of 2004; (b) performance of any order which has not yet been performed and (c) all liabilities arising out of all disputes whatsoever between the parties up to the date hereof. As at the date of this report, the Company and Showa HK are negotiating a new payment date to be confirmed in writing in due course.

36. 訴訟 (續)

於2004年2月26日，本公司向Showa HK發出傳送令狀（「民事訴訟2004年第445宗」）。根據於2002年3月14日作出及訂立之出讓書，Showa HK已向本公司出讓及轉讓多項租賃協議項下若干機器之所有利益、權益及所有權。儘管本公司多番要求，Showa HK仍未根據出讓書履行其將所有權轉讓予本公司之責任。

於2006年8月1日，本公司與Showa HK簽署了一份和解協議書及同意狀。當簽署了同意狀，Showa HK將不會在同意狀簽署日開始的35天內，強制執行民事訴訟2002年第4034宗對本公司所作的判決；而本公司將於同意狀簽署日開始的35天內，付與Showa HK 821,000港元。在上述條款都已經遵守時，各方在該日起的上述責任會被撤銷(a)民事訴訟2002年第4034宗及民事訴訟2004年第445宗中的所有事項造成的所有責任；(b)按法庭命令須要履行但還未履行之事宜及(c)直至該日起，訴訟當事人在所有因任何爭議引起的所有責任。截至本年報日，本公司與Showa HK正在商討一個新的還款期，並會在適當時間作出書面確認。

36. LITIGATIONS (continued)

- (c) On 14 August 2003, New China Trust and Investment Co., Ltd. ("New China"), a secured creditor of Beijing HollyBridge System Integration Company Limited ("Beijing HollyBridge"), a subsidiary of the Company, instituted legal proceeding against Beijing HollyBridge, which owned a loan of approximately HK\$19 million together with an accrued interest of approximately HK\$1.1 million. The Company has also issued a guarantee to New China for the loan granted to Beijing HollyBridge. On 17 November 2004, the Chongqing Intermediate People's Court (the "Intermediate Court") ruled that Beijing HollyBridge is regard to repay the outstanding loan principal approximately HK\$19 million together with an interest of approximately HK\$2.5 million. The Intermediate Court also discharged the guarantee provided by the Company to New China. On 8 December 2004, a notice of Appeal was filed by New China to the Chongqing Supreme People's Court (the "Supreme Court") regarding the calculation of the accrued interest and its objection on the discharge of the guarantee given by the Company.

On 22 November 2005, the Supreme Court ruled that the outstanding loan principal and interest that Beijing HollyBridge owed to New China were approximately HK\$18 million and HK\$1.4 million respectively. The Supreme Court also ruled that the guarantee provided by the Company to New China will remain in force. On 28 June, 2006, an execution notice was issued by the Intermediate Court that Beijing HollyBridge was requested to repay the outstanding loan principal and interest before 20 July 2006 and also to declare all its assets to the Intermediate Court within seven days from the date of issue of the execution notice. Subsequently, Beijing HollyBridge and New China have mutually agreed in principal to settle the claim, in which goods and services with amounts equivalent to the outstanding loan principal and interest will be provided by Beijing HollyBridge to New China.

36. 訴訟(續)

- (c) 於2003年8月14日，本公司之附屬公司北京合力金橋系統集成技術有限公司(「北京合力金橋」)之有抵押債權人新華信託投資股份有限公司(「新華」)向北京合力金橋提出擁有一筆貸款約19,000,000港元，連同應計利息約1,100,000港元的法律訴訟。本公司亦已就授予北京合力金橋之貸款向新華作出擔保。於2004年11月17日，重慶中級人民法院(「法院」)裁定北京合力金橋須向新華償還貸款之餘額約19,000,000港元及利息約2,500,000港元。法院亦撤銷本公司對新華提供之擔保責任。於2004年12月8日，新華就應付利息計算方法及撤銷本公司之擔保責任向法院提出上訴申請。

於2005年11月22日，上級法院裁定北京合力金橋欠新華之借貸本金及利息分別約為18,000,000港元及1,400,000港元。上級法院亦裁定本公司授予北京合力金橋之貸款向新華作出之擔保將維持有效。於2006年6月28日，中級法院發出指令要求北京合力金橋在2006年7月20日之前清還未償借貸本金及利息，並於指令發出7日內，向中級法院申報其所有資產。其後，北京合力金橋及新華雙方原則上同意通過由北京合力金橋以提供與未償借貸本金及利息數額之等值貨物及服務予新華來為此申索達成和解。

36. LITIGATIONS (continued)

The directors consider that adequate provision has been made against these claims and no additional provision is required.

37. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ('MPF Scheme') for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

During the year, the total amount contributed by the Group to the MPF Scheme amounted to approximately HK\$60,802 (2005: HK\$59,670).

The Group is also required to make contributions to state pension schemes in the PRC based on a certain percentage of the monthly salaries of the employees of its PRC subsidiaries. The Group has no other obligation under the state pension schemes in the PRC other than the contribution payment.

The Group has provided approximately HK\$1,346,000 (2005: HK\$950,000) for the year to cover the contributions payable to the state pension schemes.

38. RELATED PARTY DISCLOSURES

The amounts due to a related company and an associate are unsecured, interest free and repayable on demand.

The amounts due to directors are unsecured, carrying interest at annually 5% and repayable on demand.

36. 訴訟 (續)

董事認為，本公司已有足夠撥備應付該等索償，毋須額外撥備。

37. 退休福利計劃

本集團為所有香港合資格僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃根據強制性公積金計劃條例於強制性公積金管理局註冊。強積金計劃之資產與本集團資產分開持有，並以基金形式由受託人管理。根據強積金計劃之規章，僱主及僱員須按規章所指定之比率向計劃供款。本集團就強積金計劃唯一之責任乃根據計劃作出所規定的供款。概無已沒收供款可用作抵銷本集團日後應付之供款。

年內，本集團之強積金計劃供款總額約達60,802港元（2005年：59,670港元）。

本集團亦須根據其中國附屬公司僱員月薪之若干百分比向中國國家退休金計劃供款。除有關供款外，本集團並無其他根據中國國家退休金計劃之責任。

本集團於本年度已就應付予國家退休金計劃供款撥備約1,346,000港元（2005年：950,000港元）。

38. 關連人士披露事項

欠予關連及聯營公司之結欠款項乃無抵押、免息及須於要求時償還。

欠予董事之款項乃無抵押，須按年息5%計息及須於要求時償還。

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39. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, Lolliman Finance Limited, a finance company, has on 15 November 2006 issued a winding-up petition against the Company for an alleged loan amount of USD900,000. Lolliman Finance Limited is a creditor of Holy (Hong Kong) Universal Limited, a subsidiary of the Company. The Company has disputes over the loan amount and the collateral in custody with Lolliman Finance Limited. The disputed amount is approximately USD150,000 and the market value of the collateral is approximately USD650,000. The Company is disputing the claim and is taking corresponding legal action to seek a fair and equitable ruling from Court on the disputed amount. The winding-up petition is scheduled to be heard on 10 January 2007.

40. SUBSIDIARIES

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

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment and operations 註冊成立地點/ 成立及經營地點	Issued share/ paid-up registered capital 已發行股本/ 繳足註冊資本	Percentage of equity interest attributable to the Company 本公司應佔 股本權益比重		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Allent Company Limited (Note i) 普納網絡(深圳)有限公司 (附註 i)	PRC 中國	HK\$2,000,000 2,000,000港元	-	100%	Inactive 不活躍
Beijing HollyBridge System Integration Company Limited (Note i) 北京合力金橋系統集成 技術有限公司(附註 i)	PRC 中國	RMB20,000,000 人民幣20,000,000元	-	51%	Provide solutions, software and service 提供解決方案、 軟件及服務

39. 結算日後事項

於結算日後，新貽財務有限公司為一家財務公司，於2006年11月15日就一筆宣稱90萬美元的欠款，向本公司發出清盤呈請。新貽財務有限公司為本公司之附屬公司—合力(香港)環球有限公司之債權人。本公司與新貽財務有限公司在借款剩餘金額及存於其之抵押品都有爭議。爭議的金額約為美金15萬元，以及為貸款提供之抵押品市值約為65萬美元。本公司現正質疑其要求與及採取相應法律行動，尋求於法院內就爭議金額得到一個公平及合理的裁決。清盤呈請之聆訊日期為2007年1月10日。

40. 附屬公司

本公司之附屬公司於2006年3月31日之詳情如下：

40. SUBSIDIARIES (continued)

40. 附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment and operations 註冊成立地點/ 成立及經營地點	Issued share/ paid-up registered capital 已發行股本/ 繳足註冊資本	Percentage of equity interest attributable to the Company 本公司應佔 股本權益比重		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chun Tai (BVI) Limited	British Virgin Islands 英屬處女群島	US\$100 100美元	100%	–	Investment holding 投資控股
Chun Tai Novelty Company Limited 駿泰玩具禮品有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	100%	Inactive 不活躍
Chun Tai Printing Limited 駿泰印刷有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	90%	Inactive 不活躍
Full Hope Enterprises Limited 福濠企業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	–	Investment holding 投資控股
Holy (Hong Kong) Universal Limited 合力(香港)環球有限公司	Hong Kong 香港	HK\$300,000 300,000港元	–	100%	Trading of communication products 買賣通訊產品
Plus Financial Distribution Holdings Limited 普納天成理財諮詢服務 有限公司	Hong Kong 香港	HK\$2 2港元	100%	–	Provision of financial services 提供金融服務
Telecom Plus Investment Limited 普納投資有限公司	Hong Kong 香港	HK\$2 2港元	100%	–	Investment holding 投資控股
Plus Financial Management Services Limited 北京普納天成理財諮詢 服務有限公司	PRC 中國	USD150,000 150,000美元	–	100%	Provision of financial services 提供金融服務

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40. SUBSIDIARIES (continued)

40. 附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment and operations 註冊成立地點/ 成立及經營地點	Issued share/ paid-up registered capital 已發行股本/ 繳足註冊資本	Percentage of equity interest attributable to the Company 本公司應佔 股本權益比重		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Plus Investment & Management Consulting Company (Note i) 普納管理顧問(深圳) 有限公司(附註 i)	PRC 中國	HK\$10,000,000 10,000,000港元	–	100%	Inactive 不活躍
Telecom Plus Technology Holdings Limited 普納科技集團有限公司	Hong Kong 香港	HK\$2 2港元	100%	–	Investment holding 投資控股
Telecom Plus Technology Limited 普納科技有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	–	100%	Investment holding 投資控股
Up Hill Investments Limited	British Virgin Islands 英屬處女島	US\$1 1美元	100%	–	Inactive 不活躍
Zhongshan Modern Colour Printing and Packaging Products Factory Company Limited (Note i) 中山現代彩印包裝製品 有限公司(附註 i)	PRC 中國	HK\$11,000,000 11,000,000港元	–	90%	Inactive 不活躍

40. SUBSIDIARIES (continued)

None of the subsidiaries had any debt securities in issue at the end of the year.

Note (i): The English name is directly translated from the Chinese name shown in the PRC business license.

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

40. 附屬公司 (續)

附屬公司於年底概無任何已發行債務證券。

*附註(i)：*英文譯名是從其營業執照上的中文名稱直譯出來。

上表載列董事會認為本集團本年度業績構成主要影響或構成本集團資產淨值主要部份之本公司附屬公司。董事會認為載列其他附屬公司之詳情會令篇幅過於冗長。