

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

1. GENERAL

The Company is incorporated in Bermuda as an exempted limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is Peasedow Enterprises Limited, incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" to the annual report.

The functional currency of the Company is Renminbi ("RMB"), the currency of the primary economic environment in which the Company operates. For the purpose of the consolidated financial statements and convenience of the financial statements users, the results and financial position of the Group are presented in Hong Kong dollars.

The principal activities of the Group are manufacturing and trading of furniture and decoration materials, and interior decoration works.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs had no material effect on how the Group's results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

Financial guarantee contracts

In the current year, the Group has applied HKAS 39 and HKFRS 4 (Amendments) "Financial Guarantee Contracts" which is effective for accounting periods beginning on or after 1 January 2006.

A financial guarantee contract is defined by HKAS 39 "Financial Instruments: Recognition and Measurement" as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group acts as the issuer of the financial guarantee contracts

Prior to 1 April 2006, financial guarantee contracts were not accounted for in accordance with HKFRS 4 and those contracts were disclosed as contingent liabilities. A provision for financial guarantee was only recognised when it was probable that an outflow of resources would be required to settle the financial guarantee obligation and the amount can be estimated reliably.

綜合財務報表附註

截至二零零七年三月三十一日止年度

1. 緒言

本公司乃百慕達成立的有限責任公司，其股份在香港聯合交易所有限公司上市。最終控股公司乃於英屬處女群島成立之Peasedow Enterprises Limited。本公司註冊辦事處及主要營業地點的地址已於本年報之「公司資料」內披露。

公司所用的主要貨幣是人民幣，是公司在主要經濟環境下所營運的貨幣。為編製綜合財務報表及方便財務報表使用者，本集團的業績及財務狀況以港元編製。

本集團的主要業務為傢私及裝飾材料的生產和買賣，及室內裝飾工程。

2. 採納新編及修訂之香港財務報告準則

在本年度，本集團首次應用香港會計師公會頒佈之若干新準則、修訂及詮釋（「新香港財務報告準則」），該新準則適用於二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或之後開始之會計期間。採用新香港財務報告準則對本會計期間或過往會計期間之業績編製及呈列均無重大影響。因此，無須就過往會計期間作調整。

財務擔保合約

於本年度，本集團已應用香港會計準則第39條及香港財務報告準則第4條（修訂本）之「財務擔保合約」並於二零零六年一月一日開始或其後之會計年度生效。

財務擔保合約於香港會計準則第39條「財務工具：確認及計算」中之定義為當特定之欠款人根據債務工具內原有或經修改之條文於到期日不能償還債務，此合約乃指令發行人給予特定款項以償還另一方之損失。

本集團為財務擔保合約之發行人

在二零零六年四月一日以前，財務擔保合約根據香港財務報告準則第4條不需計算，這些合約只披露為或然負債，當需要使用資源來支付財務擔保承擔及數目可以真實地估計時才會確認財務擔保之撥備。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) (Continued)

Financial guarantee contracts (Continued)

The Group acts as the issuer of the financial guarantee contracts (Continued)

Upon the application of these amendments, a financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 “Revenue”.

In relation to a financial guarantee granted to a bank over the repayment of finance leases by an associate, the Group has applied the transitional provisions in HKAS 39. The adoption of the standard had no material effect on how the Group’s results for the current and/or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 23 (Revised)	Borrowing costs ²
HKFRS 7	Financial instruments: Disclosures ¹
HKFRS 8	Operating segments ²
HK(IFRIC) - INT 8	Scope of HKFRS 2 ³
HK(IFRIC) - INT 9	Reassessment of embedded derivatives ⁴
HK(IFRIC) - INT 10	Interim financial reporting and impairment ⁵
HK(IFRIC) - INT 11	HKFRS 2 - Group and Treasury Share Transactions ⁶
HK(IFRIC) - INT 12	Service concession arrangements ⁷

¹ Effective for accounting periods beginning on or after 1 January 2007.

² Effective for accounting periods beginning on or after 1 January 2009.

³ Effective for accounting periods beginning on or after 1 May 2006.

⁴ Effective for accounting periods beginning on or after 1 June 2006.

⁵ Effective for accounting periods beginning on or after 1 November 2006.

⁶ Effective for accounting periods beginning on or after 1 March 2007.

⁷ Effective for accounting periods beginning on or after 1 January 2008.

綜合財務報表附註

截至二零零七年三月三十一日止年度

2. 採納新編及修訂之香港財務報告準則(續)

財務擔保合約(續)

本集團為財務擔保合約之發行人(續)

於應用這些修訂本時，本集團初期對發出但未經損益而定出公平值之財務擔保合約確認其直接發出財務擔保合約之公平值。在初期確認之後，本集團以下列較高者計算財務擔保合約：(i)根據香港會計準則第37條「撥備、或然負債及或然資產」；及(ii)根據香港會計準則第18條「收入」的初期數目之確認減去累計攤銷之確認(如適合)。

關於因聯營公司的租購合約還款而向銀行提供財務擔保合約，本集團已應用香港會計準則第39條之過渡期條款。採用此準則對本集團於本會計期間或過往會計期間之業績編製及呈列均無重大影響。因此，無須就過往會計期間作調整。

本集團並未提早應用下列已頒佈但尚未生效之新編及修改準則、修訂及詮釋。本公司董事預期應用該等準則、修訂或詮釋對本集團之財務報表並無重大影響。

香港會計準則第1條(修訂)	股本披露 ¹
香港會計準則第23條(修改)	貸款成本 ²
香港財務報告準則第7條	金融工具：披露 ¹
香港財務報告準則第8條	營運分類 ²
香港(國際財務匯報準則)－詮釋第8條	香港財務報告準則第2條之範疇 ³
香港(國際財務匯報準則)－詮釋第9條	附帶內在衍生工具之重新評估 ⁴
香港(國際財務匯報準則)－詮釋第10條	中期財務呈報及減值 ⁵
香港(國際財務匯報準則)－詮釋第11條	香港財務報告準則第2條：集團及財務股份交易 ⁶
香港(國際財務匯報準則)－詮釋第12條	服務經營權安排 ⁷

¹ 於二零零七年一月一日或以後開始之年度期間生效。

² 於二零零九年一月一日或以後開始之年度期間生效。

³ 於二零零六年五月一日或以後開始之年度期間生效。

⁴ 於二零零六年六月一日或以後開始之年度期間生效。

⁵ 於二零零六年十一月一日或以後開始之年度期間生效。

⁶ 於二零零七年三月一日或以後開始之年度期間生效。

⁷ 於二零零八年一月一日或以後開始之年度期間生效。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

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

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

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

Investment in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate is 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, 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.

Any excess of the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策

本綜合財務報表是按歷史成本為基礎及根據香港會計師公會頒佈的香港財務報告準則編製。此外，本綜合財務報表也包括香港聯合交易所有限公司證券上市規則和香港公司法的要求作出相關披露。

編製綜合賬目之基準

綜合財務報表包括本公司及其所控制的企業(附屬公司)之財務報表。倘若公司有權管治另一企業的財務及營運政策而從其活動中獲取利益時，則控制權確立。

是年收購或出售之附屬公司的業績，由收購日期起或至出售日期止已包括在綜合收益表內。

如有需要，會調整附屬公司的財務報表使其會計政策與本集團其他成員看齊。

編製綜合賬時，所有集團之對內交易、結餘、收益及支出會對銷。

聯營公司權益

聯營公司乃一實體，投資者對其擁有重大影響力及並非附屬公司或應佔共同控制企業權益。

聯營公司之業績、資產及負債以權益法包括在綜合財務報表中。根據權益法，聯營公司投資以成本並調整收購後集團有關損益之分擔及聯營公司權益之變動，減去可確認之減值計入綜合資產負債表外，當集團從聯營公司所分擔的虧損等於或超過其擁有聯營公司權益，集團會停止確認其他虧損之分擔。除非集團有法律或實質的責任或已代聯營公司付款，才會分擔虧損及確認責任。

重新評估後，若本集團應佔所收購公司的可識別資產、已確認的負債及或然負債之公平值淨額超過收購成本，立即於損益表確認。

當集團實體與集團之聯營公司交易時，損益會與集團所佔聯營公司之權益對銷。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the value of work carried out during the year. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of construction contract can be estimated reliably, revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the year plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Other

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

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

Property, plant and equipment

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

收入確認

收入是以已收報酬或應收報酬之公平值計算，並代表在正常交易中，因提供貨品及服務後，減去折扣的款項及銷售稅。

建造合約

若能可靠地預測建造合約成果時，固定價格之建造合約其收益以該年度已完成工程之價值按完成階段確認入賬內。至於與客戶達成協議之工程後加項、索償及獎勵款項亦可包括在內。

若能可靠地預測建造合約成果時，按成本後增加價格之工程，其確認之收益乃參照該年度可收回之支出另加可賺取之費用，並根據當時已發生成本佔合約之預測總成本之比例計算。

若不能可靠地預測建造合約成果時，確認收益只限於可收回之已發生之成本。

其他

銷售其他貨品於貨品送出及其擁有權轉移後確認。

參照剩餘本金及實際利率，從財務資產所得之利息收益以時間基礎計算，該利率即根據財務資產的可用年期，將估計的未來金額收入折算至資產淨賬面值。

物業、廠房及設備

物業、廠房及設備，除在建工程外，是按成本減去其後累計折舊及累計減值虧損(如有)入賬。

物業、廠房及設備，除在建工程外，就其估計可使用年期及其估計之剩餘價值計算折舊及攤銷，以直線法攤分其成本。

租購合約之資產，其折舊與本集團自置之資產以其估計可使用年期之基礎相同。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production, rental or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of cost of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

物業、廠房及設備(續)

當物業、廠房及設備被出售或持續使用資產已無將來經濟利益時，該等資產將不需確認，因不需確認資產而引至的利益或虧損(即出售淨價與賬面值的差額)會於該年度包括在收益表內。

在建工程乃正在建造作生產或自用用途之物業、廠房及設備。在建工程以成本扣除任何減值虧損列賬。當在建工程完成及預備作使用時，將分類至適當的類別包括物業、廠房及設備。當資產已準備作使用時，按其物業資產類別基準開始折舊。

租賃土地及樓宇發展作將來業主自用用途

當租賃土地及樓宇正在發展作生產、出租或行政用途，該租賃土地部份分類為租賃預付款及按租賃期間以直線法攤銷。在建造過程中，租賃土地攤銷費用，包括入該建造中樓宇之成本，建造中樓宇以成本扣除任何可識別減值虧損列賬。該等樓宇折舊，始於其可作使用(即其地點及狀況已符合管理層預期營運要求)。

租約

租約可分類為租購合約若租約的絕大部份風險及擁有權之利益可轉讓給承租人，其他租約則分類為經營租約。

集團為承租人

租購合約下之資產於租約生效時可以其公平值確認為集團資產，如較低，則以最低的租賃付款的現值計算。其相對的負債以租購合約承擔包括在出租人的資產負債表內、租賃款項按比例分攤為財務支出及租約承擔之遞減以確在餘下之負債有固定的息率。財務支出會計入損益中。

經營租約之租金會按有關之租賃期以直線法計入損益中。若因訂立經營租約而收取或應收取利益作為獎勵，應將此數按租約期限用直線法確認以減低租金支出。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements.

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

Taxation

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

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

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

貸款成本

所有貸款成本已於期內確認及包含於綜合收益表中財務成本內。

外國貨幣

當預備每個集團個別實體的財務報表時，若交易所用之貨幣並非該實體主要貨幣時(外國貨幣)會用主要貨幣(即該實體所經營的主要經濟環境貨幣)按交易日之匯率入賬。在每個結算日，貨幣項目以外幣為本的會用結算日之匯率再對換。非貨幣項目以外幣歷史成本計算就不需要再對換。

由支付貨幣項目而產生的匯兌差額，與貨幣項目之對換，會於其發生期間於損益中確認，除非由貨幣項目產生的匯兌差額為公司在外國業務的淨投資，則該匯兌差額會於綜合財務報表中之權益內確認。

為要呈報綜合財務報表，集團在外國業務之資產與負債會以公司的呈報貨幣(即港元)以結算日之匯率對換，其收益與支出則以該年之平均匯兌率對換，除非該年度的匯兌率極其波動，則會採用交易日之匯兌率。由此引發之匯兌差額會於權益中分類確認(外匯兌換儲備)。該匯兌差額會於外國業務結束年度於損益中確認。

稅項

稅項支出指現時應付稅項及遞延稅項數額。

現時應付稅項乃按年內應課稅盈利計算。應課稅盈利不包括已撥往其他年間的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之收益或支出，故與損益表所列溢利不同。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項之確認乃根據綜合財務報表內資產及負債帳面值與計算應課稅盈利所採用相應稅基之差額，以資產負債表負債法處理。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盈利予以確認。如暫時差異由商譽或由初次確認一項不影響應課稅盈利或會計盈利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債不予確認。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group as the parent or a venturer is able to control the reversal of the temporary difference and it is probable that the temporary differences will not be reversed 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 profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the value of work carried out during the year.

When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

稅項(續)

遞延稅項須就投資於附屬公司及聯營公司所產生應課稅暫時差異予以確認，除非本集團作為母公司或經營方可控制暫時差異轉回時間，而此暫時差異在可預見的將來很可能不會轉回。

遞延稅項資產之帳面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅盈利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從損益中扣除或計入，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，在該情況下遞延稅項亦於權益中處理。

存貨

存貨乃以成本或可變現淨值兩者中之較低者入賬，成本包括直接物料、直接工資及將存貨送至現時地點及狀況所需之經營費(如適用)。成本以加權平均法計算。可變現淨值即賣價估值減去完成之估計成本及推銷、發售及分銷所需之成本。

建造合約

若能可靠地預測建造合約成果時，合約成本乃按於結算日合約活動之完成階段計入於收益表內，並以該年度已完成工程之價值計算。

若不能可靠地預測建造合約成果時，合約成本於其發生之期間獲確認為開支。

在總合約成本有可能超越總合約收入時，預期之虧損須即時確認為開支。

若建造合約之當時所有已發生成本加上已確認溢利扣除已確認虧損超越按進度付款項，則餘額以應收客戶之建造合約款項呈列。若按進度付款項超越建造合約成本加上已確認溢利扣除已確認虧損，則餘額以應付客戶之建造合約款項呈列。若在有關之工程開始前收到之任何金額，必須在資產負債表內負債項目中之預付款項入賬。若已開發票收取客戶已完成工程款，但客戶仍未付，則有關款項在資產負債表以應收賬項及其他應收賬項入賬。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefits costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefit scheme are charged as expenses when employees have rendered service entitling them to the contributions.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instruments. 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.

Financial assets

The Group's financial assets are mainly loans and receivables. The accounting policies adopted are set out below.

Loans and receivables

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

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

退休福利費用

強制性公積金計劃及國家監管退休福利計劃的供款，當僱員提供服務後，從而有權獲得供款時，計作開支。

金融工具

倘集團實體成為財務工具合約條文之訂約方，則於資產負債表中確認財務資產及財務負債。財務資產及財務負債首先按公平值計算。因收購或發行財務資產及財務負債(於損益賬按公平值處理的財務資產及負債除外)而直接產生之交易成本於首次確認時計入財務資產及財務負債(如適用)之公平值或自財務資產及財務負債(如適用)之公平值扣除。

財務資產

本集團之財務資產主要分為貸款及應收款項。所採納之會計政策載列於下文。

貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生財務資產。於初步確認後各結算日，貸款及應收款項(包括應收貿易賬項、應收客戶之建造合約款項、應收聯營公司賬項及銀行結存)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當實質證明資產減值時於收益表中確認。並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現金值間的差額計算。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥日之賬面值不得超過未確認減值時之已攤銷成本。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade payables, other payables and accruals, obligations under finance leases, bank loans and bank overdrafts 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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designed as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

Derecognition

Financial assets are derecognised 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 or receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the balance sheet when, and only when, it is extinguished (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expired). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

金融工具(續)

財務負債及股本權益

由集團實體發行之財務負債及股本權益工具按所訂立之合約安排性質，以及財務負債及股本權益工具之定義而分類。

股本權益工具為帶有集團資產剩餘權益(經扣除其所有負債)之任何合約。就財務負債及股本權益工具而採納之會計政策載列如下。

財務負債

財務負債包括應付貿易賬項、其他應付賬項及應付費用、租購合約承擔、銀行貸款及銀行透支，乃採用實際利率法按攤銷成本計算。

股本權益工具

本公司所發行之股本權益工具乃按已收取之所得款項減直接發行成本記賬。

財務擔保合同

財務擔保合同乃規定發行人在由於某欠債人未能按照某債務工具的原有或修訂條款在到期時付款而出現虧損時向持有人作出具體償付的合同。集團發行的財擔保合同倘不作為按損益後的公平值，則初步以其於發行時公平值減與發行財務擔保合同直接有關的交易成本之餘額確認記帳。初步確認後，集團按下列較高者衡量該財務擔保合同：(i)按香港會計準則第37條「提撥或然負債及或然資產」釐定的金額；及(ii)初步確認金額減(如適用)按香港會計準則「收入」確認的累計攤銷。

不再確認

若從資產收取現金流之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將不再確認。於不再確認財務資產時，資產賬面值與已代價及已直接於股本權益確認之累計損益之總差額，將於損益中確認。

倘於有關合約之特定責任獲解除、取消或屆滿時，財務負債將不再確認。不再確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted on or after 1 April 2005 is expensed on a straight line basis over the vesting period, with a corresponding increase in equity.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the reversion of estimates, if any, is recognised in profit or loss with a corresponding adjustment to share option reserve.

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

Impairment losses

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies which are described in note 3, management has made the following estimations that have significant effect on the amounts recognised in the consolidated 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.

Allowances for bad and doubtful debts

When there is objective evidence of an impairment loss, the Group takes into consideration the estimation of future cash flows to determine the impairment loss. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

綜合財務報表附註

截至二零零七年三月三十一日止年度

3. 主要會計政策(續)

以股權支付之交易

所獲服務之公平值乃參考購股權於二零零五年四月一日或之後之公平值釐定，並於歸屬期間以直線法支銷，並於股本權益中作相應增加。

於每個年結日，本集團會修訂估計的最終授出的購股權數目。此修訂的影響，(如有)，將在損益確認，同時在購股權儲備中作出調整。

購股權獲行使時，過往於購股權儲備中確認之數額將轉移至股票溢價內。當購股權於獲授日後放棄或於屆滿日仍未獲行使，過往於購股權儲備中確認之數額將轉撥至滾存盈利。

減值虧損

本集團於年結日評估其資產之賬面值，以確定該等資產有否減值虧損之跡象。倘若一項資產之可收回值低於其賬面值，則該項資產之賬面值即被減至其可收回值，減值虧損應立即確認為支出。

於回撥減值虧損時，資產之賬面值可調整至重新釐定之可收回值，惟不可高於該資產於過往未減值虧損前之賬面值。撥回之減值虧損可即時被確認為收入。

4. 估計不確定之主要來源

當附註3應用在實體的會計政策時，管理層作出下列評估並在綜合財務報表中確認其重要影響。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)亦討論如下。

呆壞賬準備

倘客觀證據顯示減值虧損，集團考慮預期未來現金流動，以決定減值虧損。減值虧損計量，以預期未來現金流量(不包括將來未帶來信貸損失)之現值，以財務資產原本實際利率(即推算初次確認時計算之實際利率)折減。當實際未來現金流量少於預期，可能出現重大減值虧損。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowances for inventories

The management of the Group estimates the net realisable value for finished goods and work in progress 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. Where the actual net realisable value are less than expected, a material allowance may arise.

5. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, amounts due from customers for contract work, amount due from an associate, bank balances, trade payables, other payables and accruals, bank loans and bank overdrafts. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Certain bank balances are denominated in foreign currencies and the amounts are disclosed in note 21.

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.

Interest rate risk

The Group's bank balances have exposure to cash flow interest rates due to the fluctuation of the prevailing market interest rate on bank balances. The Group's fair value interest rate risk relates primarily to its fixed rate borrowings. The Group's cash flow interest rate risk relates to its variable rate borrowings.

The Group does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

綜合財務報表附註

截至二零零七年三月三十一日止年度

4. 估計不確定之主要來源(續)

存貨準備

管理層估計製成品及在製品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於結算日對每種產品進行盤點，並對過時品種作出準備。當實際可變現淨值低於預期時，可能要作出準備。

5. 金融工具

財務風險管理目標及政策

本集團之主要財務工具包括應收貿易賬項、應收(應付)客戶之建造合約款項、應收聯營公司賬項、銀行結存、應付貿易賬項、其他應付款項及應計費用、銀行貸款及銀行透支。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

市場風險

貨幣風險

本公司若干附屬公司有以外幣計值之銷售，令本集團有外國貨幣風險。部份銀行結存以外幣為單位，其數目於附註21中披露。

本集團現時並無外國貨幣對沖政策，管理層會控制外幣匯兌風險並會因應需要考慮主要外國貨幣風險對沖政策。

利率風險

本集團承受現金流動利率風險乃來自波動市場利率計息之銀行借貸。本集團之公平利率風險主要與固定利率貸款有關。本集團的現金流利率風險則與浮動利率貸款有關。

本集團並無利率對沖政策。管理層會控制利率風險並會因應需要考慮主要利率風險對沖政策。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

5. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk

As at 31 March 2007, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of those assets as stated in the consolidated balance sheet and financial guarantee issued by the Group as disclosed in note 28. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, 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's bank balances are deposited with banks of high credit rating and the Group has limited exposure to any single financial institution.

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

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

綜合財務報表附註

截至二零零七年三月三十一日止年度

5. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

信貸風險

倘對方於二零零七年三月三十一日未能履行彼等之承擔，則本集團就每類已確認財務虧損而須承受之最大信貸風險，此乃由綜合資產負債表所列之資產賬面值所引發及於附註28中披露集團所發出之財務承擔，為要盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團評估每項個別貿易應收債項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團之銀行結存乃存放於多間信譽良好的銀行，而本集團亦對單一財務機構設定可承受之風險上限。

本集團並無集中之信貸風險，有關風險乃分散至多個其他方及客戶。

公平值

財務資產及財務負債的公平值，按拆讓現金流量分析或採用可觀察的現時市場交易所得價格，根據公認定價模式釐定。

董事認為，於綜合財務報表按攤銷成本記賬的財務資產及財務負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

6. REVENUE

Revenue, which is also the turnover of the Group, represents the sales value of goods supplied to customers and service revenue from interior decoration work, and is analysed as follows:

	2007 HK\$'000	2006 HK\$'000
Sales of furniture and fixtures	503,644	389,035
Service revenue from interior decoration work	133,204	95,639
	636,848	484,674

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is mainly engaged in the sales of furniture and fixtures and interior decoration work. This is the basis on which the Group reports its primary segment information.

Business segments

	2007		2006	
	Consolidated turnover HK\$'000	Contribution to profit for the year HK\$'000	Consolidated turnover HK\$'000	Contribution to profit for the year HK\$'000
Sales of furniture and fixtures	503,644	83,164	389,035	45,503
Interior decoration work	133,204	21,149	95,639	5,273
Total	636,848	104,313	484,674	50,776
Other income		1,286		924
Unallocated corporate expenses		(49)		(95)
(Allowance) write back for amount due from an associate		(6,000)		900
Share of result of an associate		675		(1,969)
Finance costs		(3,820)		(3,797)
Profit before taxation		96,405		46,739
Taxation		(18,074)		(7,941)
Profit for the year		78,331		38,798

綜合財務報表附註

截至二零零七年三月三十一日止年度

6. 收入

收入，即本集團之營業額，指售予客戶貨品之銷售價值，以及提供室內裝飾工程之服務收入，分析如下：

	二零零七年 千港元	二零零六年 千港元
傢私及裝置銷售	503,644	389,035
室內裝飾工程之服務收入	133,204	95,639
	636,848	484,674

7. 業務及地域劃分資料

本集團主要從事傢私及裝置銷售及室內裝飾工程，本集團亦以此為基本劃分資料報告。

業務劃分

	二零零七年		二零零六年	
	綜合營業額 千港元	年度經營溢利 千港元	綜合營業額 千港元	年度經營溢利 千港元
傢私及裝置銷售	503,644	83,164	389,035	45,503
室內裝飾工程	133,204	21,149	95,639	5,273
合計	636,848	104,313	484,674	50,776
其他收益		1,286		924
未分類開支		(49)		(95)
應收聯營公司賬項(準備)回撥		(6,000)		900
聯營公司業績分擔		675		(1,969)
財務成本		(3,820)		(3,797)
除稅前溢利		96,405		46,739
稅項		(18,074)		(7,941)
本年度溢利		78,331		38,798

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Balance sheet

	2007			2006		
	Sales of furniture and fixtures HK\$'000	Interior decoration work HK\$'000	Consolidated HK\$'000	Sales of furniture and fixtures HK\$'000	Interior decoration work HK\$'000	Consolidated HK\$'000
ASSETS						
Segment assets	351,649	57,782	409,431	280,427	52,610	333,037
Investment in an associate			4,452			3,134
Amount due from an associate			5,468			8,046
Unallocated corporate assets			70,080			55,588
Consolidated total assets			489,431			399,805
LIABILITIES						
Segment liabilities	90,155	31,538	121,693	69,238	36,868	106,106
Unallocated corporate liabilities			71,215			67,631
Consolidated total liabilities			192,908			173,737

Other information

	2007		2006	
	Sales of furniture and fixtures HK\$'000	Interior decoration work HK\$'000	Sales of furniture and fixtures HK\$'000	Interior decoration work HK\$'000
Capital additions	42,906	10,227	41,670	7,661
Depreciation and amortisation	19,111	4,426	15,895	3,484
Allowance and write off (allowance written back) of bad and doubtful debts	2,654	(930)	3,969	1,971
Expected loss on construction contracts	—	705	—	—

綜合財務報表附註

截至二零零七年三月三十一日止年度

7. 業務及地域劃分資料(續)

業務劃分(續)

資產負債表

	二零零七年			二零零六年		
	傢私及裝置銷售 千港元	室內裝飾工程 千港元	綜合 千港元	傢私及裝置銷售 千港元	室內裝飾工程 千港元	綜合 千港元
資產						
分類資產	351,649	57,782	409,431	280,427	52,610	333,037
聯營公司投資			4,452			3,134
應收聯營公司賬項			5,468			8,046
未分類公司資產			70,080			55,588
綜合總資產			489,431			399,805
負債						
分類負債	90,155	31,538	121,693	69,238	36,868	106,106
未分類公司負債			71,215			67,631
綜合總負債			192,908			173,737

其他資料

	二零零七年		二零零六年	
	傢私及裝置銷售 千港元	室內裝飾工程 千港元	傢私及裝置銷售 千港元	室內裝飾工程 千港元
資產開支	42,906	10,227	41,670	7,661
折舊及攤銷	19,111	4,426	15,895	3,484
呆壞賬準備及撇除(回撥)	2,654	(930)	3,969	1,971
建造合約之預期虧損	—	705	—	—

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments

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

	Sales revenue by geographical market	
	2007 HK\$'000	2006 HK\$'000
America	385,649	291,284
Hong Kong SAR	147,576	108,490
Europe	55,577	35,748
Mainland China	29,616	28,538
Other countries in Asia	18,430	20,614
	636,848	484,674

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:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Mainland China	205,249	155,765	49,498	36,833
Hong Kong SAR	113,020	97,749	289	3,582
America	88,101	77,121	3,046	8,892
Other countries in Asia	2,259	2,402	300	24
Europe	802	—	—	—
	409,431	333,037	53,133	49,331

綜合財務報表附註

截至二零零七年三月三十一日止年度

7. 業務及地域劃分資料(續)

地域劃分

下表所載列之分析是根據銷售地域而作出的，並不考慮產品／服務的原產地地域：

	按地域劃分的營業收入	
	二零零七年 千港元	二零零六年 千港元
美洲	385,649	291,284
香港特別行政區	147,576	108,490
歐洲	55,577	35,748
中國內地	29,616	28,538
亞洲其他國家	18,430	20,614
	636,848	484,674

下表所載列之分析是按其所在地域劃分的分類資產賬面值及物業、廠房及設備的資產開支：

	分類資產賬面值		物業、廠房及設備 的資產開支	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
中國內地	205,249	155,765	49,498	36,833
香港特別行政區	113,020	97,749	289	3,582
美洲	88,101	77,121	3,046	8,892
亞洲其他國家	2,259	2,402	300	24
歐洲	802	—	—	—
	409,431	333,037	53,133	49,331

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

8. OTHER INCOME

	2007 HK\$'000	2006 HK\$'000
Interest income	712	362
Sundry income	572	550
Rental income	2	12
	1,286	924

9. FINANCE COSTS

	2007 HK\$'000	2006 HK\$'000
Interest on:		
Bank loans wholly repayable within five years	3,577	3,500
Finance leases	243	297
	3,820	3,797

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of ten (2006: ten) directors were as follows:

	Directors' fees HK\$'000	Salaries and other benefits HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Tsang Chi Hung	—	1,803	63	1,866
Liu Hoo Kuen	—	2,050	63	2,113
Richard Warren Herbst	—	2,568	36	2,604
Kwan Yan Choi	—	1,785	63	1,848
Fung Sau Mui	—	1,343	47	1,390
Tai Wing Wah	—	1,207	43	1,250
Wong Kam Hong	—	1,224	43	1,267
Chu Kwok Man	50	—	—	50
Lok Wai Kiang, Paul	50	—	—	50
Cheng Woon Kam	50	—	—	50
Total for 2007	150	11,980	358	12,488

綜合財務報表附註

截至二零零七年三月三十一日止年度

8. 其他收益

	二零零七年 千港元	二零零六年 千港元
利息收益	712	362
其他收益	572	550
租金收益	2	12
	1,286	924

9. 財務成本

	二零零七年 千港元	二零零六年 千港元
利息：		
於五年內到期償還之銀行貸款	3,577	3,500
租購合約承擔	243	297
	3,820	3,797

10. 董事酬金

已付或應付予10名(二零零六：10名)董事的酬金如下：

	董事袍金 千港元	薪金及 其他福利 千港元	退休金供款 千港元	總額 千港元
曾志雄	—	1,803	63	1,866
廖浩權	—	2,050	63	2,113
Richard Warren Herbst	—	2,568	36	2,604
關有彩	—	1,785	63	1,848
馮秀梅	—	1,343	47	1,390
戴永華	—	1,207	43	1,250
黃錦康	—	1,224	43	1,267
朱國民	50	—	—	50
駱偉強	50	—	—	50
鄭煥錦	50	—	—	50
二零零七年總額	150	11,980	358	12,488

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

10. DIRECTORS' EMOLUMENTS (Continued)

	Directors' fees	Salaries and other benefits	Retirement benefits scheme contributions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Tsang Chi Hung	—	2,035	63	2,098
Liu Hoo Kuen	—	1,906	63	1,969
Richard Warren Herbst	—	1,929	39	1,968
Kwan Yan Choi	—	2,035	63	2,098
Fung Sau Mui	—	1,343	47	1,390
Tai Wing Wah	—	1,207	43	1,250
Wong Kam Hong	—	1,170	41	1,211
Chu Kwok Man	50	—	—	50
Lok Wai Kiang, Paul	50	—	—	50
Cheng Woon Kam	50	—	—	50
	<hr/>	<hr/>	<hr/>	<hr/>
Total for 2006	150	11,625	359	12,134

During both years, no emoluments were paid by the Group to the directors as compensation for loss of office or as a discretionary bonus or an inducement to join or upon joining the Group. None of the directors has waived any emoluments in both years.

11. EMPLOYEE'S EMOLUMENTS

In 2007, of the five individuals with the highest emoluments in the Group, four (2006: four) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The salaries and other benefits, and contributions to retirement benefits scheme of the remaining one individual amounted to HK\$1,872,000 (2006: HK\$1,872,000).

綜合財務報表附註

截至二零零七年三月三十一日止年度

10. 董事酬金 (續)

	董事袍金 千港元	薪金及 其他福利 千港元	退休金供款 千港元	總額 千港元
曾志雄	—	2,035	63	2,098
廖浩權	—	1,906	63	1,969
Richard Warren Herbst	—	1,929	39	1,968
關有彩	—	2,035	63	2,098
馮秀梅	—	1,343	47	1,390
戴永華	—	1,207	43	1,250
黃錦康	—	1,170	41	1,211
朱國民	50	—	—	50
駱偉強	50	—	—	50
鄭煥錦	50	—	—	50
二零零六年總額	150	11,625	359	12,134

此兩年間，本集團並未向董事因失去職位而作出賠償，或因加入或即將加入本集團而給予特別花紅或獎勵，此兩年間，並無董事放棄酬金。

11. 員工酬金

在二零零七年，本集團五位最高酬金的員工中，其中四位(二零零六年：四位)為本公司之董事，其酬金已於上列附註10中披露，其餘一位員工的薪金，其他福利及退休金供款合共1,872,000港元(二零零六年：1,872,000港元)。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

12. INCOME TAX EXPENSE

	2007 HK\$'000	2006 HK\$'000
Current tax:		
Hong Kong	(12,471)	(7,310)
Other jurisdictions	(6,378)	(1,724)
Other regions in the PRC	(1,719)	(846)
	(20,568)	(9,880)
(Under) overprovision in prior years		
Hong Kong	16	74
Other jurisdictions	(89)	—
	(20,641)	(9,806)
Deferred taxation (note 25)		
— current year	2,567	1,865
	(18,074)	(7,941)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for both years.

Taxation arising in the PRC and other jurisdictions are calculated at the rates prevailing in the respective PRC regions and the relevant jurisdictions respectively.

The taxation for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2007 HK\$'000	2006 HK\$'000
Profit before taxation	96,405	46,739
Taxation at the Hong Kong Profits Tax rate of 17.5%	16,871	8,179
Tax effect of expenses not deductible for tax purposes	2,836	118
Tax effect of income not taxable for tax purposes	(171)	(206)
Under(over)provision in respect of prior years	73	(74)
Tax effect of deferred tax assets not recognised	—	460
Utilisation of deferred tax assets previously not recognised	(3,903)	(701)
Tax effect of share of result of an associate	(118)	345
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,456	(146)
Others	30	(34)
Taxation	18,074	7,941

綜合財務報表附註

截至二零零七年三月三十一日止年度

12. 稅項支出

	二零零七年 千港元	二零零六年 千港元
本年稅項：		
香港	(12,471)	(7,310)
其他地區	(6,378)	(1,724)
中國人民共和國其他地區	(1,719)	(846)
	(20,568)	(9,880)
過往年度(不足)超額準備		
香港	16	74
其他地區	(89)	—
	(20,641)	(9,806)
遞延稅項(附註25)		
— 本年度	2,567	1,865
	(18,074)	(7,941)

香港利得稅乃根據稅率17.5%就此兩個年度之估計應課稅溢利計算。

於中華人民共和國及其他司法地區之應課稅按中華人民共和國地區及其他有關司法地區之稅率分別計算。

本年度之稅項可與綜合收益表內之稅前溢利對照如下：

	二零零七年 千港元	二零零六年 千港元
除稅前溢利	96,405	46,739
按香港利得稅稅率17.5%徵稅	16,871	8,179
支出不可用作扣稅之稅務影響	2,836	118
收益不用徵稅之稅務影響	(171)	(206)
過往年度的不足(超額)準備	73	(74)
未確認之遞延稅項資產之稅務影響	—	460
使用先前未確認之遞延稅項資產	(3,903)	(701)
聯營公司業績分擔之稅務影響	(118)	345
在其他司法地區經營業務之附屬公司之不同稅率影響	2,456	(146)
其他	30	(34)
稅項	18,074	7,941

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

13. PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	2007 HK\$'000	2006 HK\$'000
Profit for the year attributable to equity holders of the Company has been arrived at after charging:		
Allowance for slow moving inventories	3,419	2,271
Auditor's remuneration	1,459	1,279
Amortisation of prepaid lease payments (included in administrative expenses)	245	168
Depreciation and amortisation		
Owned assets	22,787	17,547
Assets held under finance leases	750	1,832
Staff costs:		
Directors' emoluments (note 10)	12,488	12,134
Salaries and allowances	89,110	72,687
Retirement benefits scheme contributions	3,119	2,519
	104,717	87,340
Cost of inventories recognised as expenses	371,494	297,354
Expected loss on construction contracts	705	—
Loss on disposals of property, plant and equipment	229	3,105
Operating lease rentals paid in respect of rented properties	6,675	5,287
Net foreign exchange loss	3,499	843

14. DIVIDENDS

	2007 HK\$'000	2006 HK\$'000
Interim dividend paid — HK3.7 cents (2006: HK2.0 cents) per share	7,400	4,000
Final dividend paid — HK3.85 cents (2006: HK1.4 cents) per share	7,700	2,800
	15,100	6,800

The final dividend of HK8.00 cents (2006: HK3.85 cents) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

綜合財務報表附註

截至二零零七年三月三十一日止年度

13. 本年度分配給股東之溢利

	二零零七年 千港元	二零零六年 千港元
本年度分配給股東之溢利已扣除下列項目：		
滯流存貨準備	3,419	2,271
核數師酬金	1,459	1,279
預付租賃款項攤銷(已包括入行政開支內)	245	168
折舊及攤銷		
自置資產	22,787	17,547
按租購合約持有之資產	750	1,832
員工成本：		
董事酬金(附註10)	12,488	12,134
薪金及津貼	89,110	72,687
退休金供款	3,119	2,519
	104,717	87,340
存貨成本確認為支出	371,494	297,354
建造合約之預期虧損	705	—
出售物業、廠房及設備之虧損	229	3,105
承租物業之經營租約費用	6,675	5,287
滙兌淨虧損	3,499	843

14. 股息

	二零零七年 千港元	二零零六年 千港元
已派中期股息—每股3.70港仙(二零零六年：2.0港仙)	7,400	4,000
已派發末期股息—每股3.85港仙(二零零六年：1.4港仙)	7,700	2,800
	15,100	6,800

董事會建議之末期股息為每股8.00港仙(二零零六年：3.85港仙)，須待本公司股東於股東週年大會批准後方可作實。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the year ended 31 March 2007 attributable to the ordinary equity holders of the Company together with the comparative figures for 2006 is based on the following data:

Earnings

	2007 HK\$'000	2006 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	78,331	38,798

Number of shares

	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	200,000	200,000
Effect of dilutive potential ordinary shares assuming exercise of share options	1,607	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	201,607	200,000

No diluted earnings per share has been presented for 2006 because the exercise price of the Company's options was higher than the average market price of shares for the year ended 31 March 2006.

綜合財務報表附註

截至二零零七年三月三十一日止年度

15. 每股盈利

截止二零零七年三月三十一日止年度股東所佔之基本及攤薄盈利及二零零六年之比較數字計算如下：

盈利

	二零零七年 千港元	二零零六年 千港元
此盈利以計算每股基本及攤薄盈利	78,331	38,798

股份數量

	千股	千股
用以計算每股基本盈利之加權平均股份數量	200,000	200,000
假設行使購股權而攤薄普通股份之影響	1,607	—
用以計算每股攤薄盈利之加權平均股份數量	201,607	200,000

因公司購股權之行使價較二零零六年三月三十一日止年度的平均市價為高，故未有列出二零零六年每股之攤薄盈利。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Buildings	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST								
At 1 April 2005	32,729	57,681	121,585	6,643	17,078	5,167	—	240,883
Additions	—	7,209	8,381	1,094	1,927	2,782	27,938	49,331
Disposals	(1,586)	(1,168)	(2,292)	(2,422)	(196)	(495)	—	(8,159)
Exchange realignment	465	325	388	32	61	23	—	1,294
Reclassification	—	—	—	45	(45)	—	—	—
At 31 March 2006	31,608	64,047	128,062	5,392	18,825	7,477	27,938	283,349
Additions	13,037	3,352	27,270	2,226	3,189	1,077	2,982	53,133
Disposals	—	(37)	—	(4)	(841)	(1,560)	—	(2,442)
Exchange realignment	987	836	943	98	132	76	824	3,896
Reclassification	27,539	1,161	—	—	—	—	(28,700)	—
At 31 March 2007	73,171	69,359	156,275	7,712	21,305	7,070	3,044	337,936
DEPRECIATION AND AMORTISATION								
At 1 April 2005	12,280	38,124	72,449	5,771	10,008	4,837	—	143,469
Charge for the year	1,456	4,635	10,130	645	1,746	767	—	19,379
Eliminated on disposals	(52)	(117)	(766)	(2,417)	(177)	(495)	—	(4,024)
Exchange realignment	163	242	291	29	47	19	—	791
Reclassification	—	—	—	44	(44)	—	—	—
At 31 March 2006	13,847	42,884	82,104	4,072	11,580	5,128	—	159,615
Charge for the year	2,704	5,337	11,921	919	1,815	841	—	23,537
Eliminated on disposals	—	(4)	—	(1)	(621)	(1,560)	—	(2,186)
Exchange realignment	372	545	652	68	105	50	—	1,792
At 31 March 2007	16,923	48,762	94,677	5,058	12,879	4,459	—	182,758
CARRYING VALUES								
At 31 March 2007	56,248	20,597	61,598	2,654	8,426	2,611	3,044	155,178
At 31 March 2006	17,761	21,163	45,958	1,320	7,245	2,349	27,938	123,734

綜合財務報表附註

截至二零零七年三月三十一日止年度

16. 物業、廠房及設備

	樓宇 千港元	租賃物業 裝修 千港元	廠房及 機器 千港元	電腦設備 千港元	傢私及 裝置 千港元	汽車 千港元	在建中 千港元	總額 千港元
成本								
於二零零五年四月一日	32,729	57,681	121,585	6,643	17,078	5,167	—	240,883
添置	—	7,209	8,381	1,094	1,927	2,782	27,938	49,331
出售	(1,586)	(1,168)	(2,292)	(2,422)	(196)	(495)	—	(8,159)
匯兌調整	465	325	388	32	61	23	—	1,294
轉讓	—	—	—	45	(45)	—	—	—
於二零零六年三月三十一日	31,608	64,047	128,062	5,392	18,825	7,477	27,938	283,349
添置	13,037	3,352	27,270	2,226	3,189	1,077	2,982	53,133
出售	—	(37)	—	(4)	(841)	(1,560)	—	(2,442)
匯兌調整	987	836	943	98	132	76	824	3,896
重新分類	27,539	1,161	—	—	—	—	(28,700)	—
於二零零七年三月三十一日	73,171	69,359	156,275	7,712	21,305	7,070	3,044	337,936
折舊及攤銷								
於二零零五年四月一日	12,280	38,124	72,449	5,771	10,008	4,837	—	143,469
本年度提備	1,456	4,635	10,130	645	1,746	767	—	19,379
出售時抵銷	(52)	(117)	(766)	(2,417)	(177)	(495)	—	(4,024)
匯兌調整	163	242	291	29	47	19	—	791
重新分類	—	—	—	44	(44)	—	—	—
於二零零六年三月三十一日	13,847	42,884	82,104	4,072	11,580	5,128	—	159,615
本年度提備	2,704	5,337	11,921	919	1,815	841	—	23,537
出售時抵銷	—	(4)	—	(1)	(621)	(1,560)	—	(2,186)
匯兌調整	372	545	652	68	105	50	—	1,792
於二零零七年三月三十一日	16,923	48,762	94,677	5,058	12,879	4,459	—	182,758
賬面值								
於二零零七年三月三十一日	56,248	20,597	61,598	2,654	8,426	2,611	3,044	155,178
於二零零六年三月三十一日	17,761	21,163	45,958	1,320	7,245	2,349	27,938	123,734

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated and amortised on a straight line basis at the following rates per annum:

Buildings	Over the unexpired terms of the land use rights period
Leasehold improvements	10%
Plant and machinery	10%
Computer equipment	20%
Furniture, fixtures and office equipment	10%
Motor vehicles	20%

All buildings of the Group are located in the PRC and the United States of America under medium-term leases. For those buildings located in the PRC, the Group has been granted the right to use the land, including construction of buildings thereon, until 2018.

The carrying values of plant and machinery and motor vehicles of the Group include an amount of approximately HK\$2,867,000 and HK\$1,275,000 (2006: HK\$5,828,000 and HK\$1,594,000), respectively, in respect of assets held under finance leases.

At 31 March 2007, property, plant and machinery and motor vehicles of the Group with carrying value of approximately HK\$11,199,000 and HK\$480,000 (2006: HK\$6,272,000 and nil), respectively, were pledged with a bank to secure a loan granted to the Group.

17. PREPAID LEASE PAYMENTS

	2007	2006
	HK\$'000	HK\$'000
The Group's prepaid lease payments comprise:		
Medium-term leasehold land outside Hong Kong	2,970	2,618
Analysed for reporting purposes as:		
Non-current asset	2,725	2,450
Current asset	245	168
	2,970	2,618

綜合財務報表附註

截至二零零七年三月三十一日止年度

16. 物業、廠房及設備(續)

就以上的物業、廠房及設備，除在建工程外，以直線法折舊及攤銷，所採用之年率如下：

樓宇	按未屆滿之土地使用權年期
租賃物業裝修	10%
廠房及機器	10%
電腦設備	20%
傢私及裝置	10%
汽車	20%

本集團所擁有之樓宇皆在中華人民共和國及美國內，並以中期租約持有。位於中華人民共和國內之樓宇，本集團獲授可使用土地包括於其上興建樓宇之權利，直至二零一八年。

本集團按租購合約方式之廠房及設備及汽車之賬面值約為2,867,000港元及1,275,000港元(二零零六年：5,828,000港元及1,594,000港元)。

於二零零七年三月三十一日，賬面值約為11,199,000港元及480,000港元(二零零六年：6,272,000港元及無)之物業、廠房及設備及汽車，已抵押給一間銀行，作為給予本集團貸款之抵押。

17. 預付租賃款項

	二零零七年 千港元	二零零六年 千港元
本集團預付租賃款項包括：		
在香港以外的中期租借地	2,970	2,618
作報告之用的分析如下：		
非流動資產	2,725	2,450
流動資產	245	168
	2,970	2,618

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

18. INVESTMENT IN AN ASSOCIATE

	2007 HK\$'000	2006 HK\$'000
Cost of investment in an associate, unlisted	5,000	5,000
Share of post-acquisition losses	(1,294)	(1,969)
Share of exchange reserve	746	103
	4,452	3,134

At 31 March 2007, the Group had interests in the following associate:

Name of entity	Form of business structure	Place of incorporation	Class of share held	Proportion of nominal value of issued capital held by the Group %	Nature of business
Vielie Flooring Limited	Incorporated	Hong Kong	Ordinary	50	Manufacturing of wooden flooring

The summarised financial information in respect of the Group's associate is set out below:

	2007 HK\$'000	2006 HK\$'000
Total assets	38,380	36,227
Total liabilities	(29,476)	(29,959)
Net assets	8,904	6,268
Group's share of net assets of associate	4,452	3,134
Revenue	29,583	24,396
Profit (loss) for the year	1,350	(722)
Group's share of result for the year	675	(1,969)

綜合財務報表附註

截至二零零七年三月三十一日止年度

18. 聯營公司投資

	二零零七年 千港元	二零零六年 千港元
聯營公司投資成本，非上市	5,000	5,000
收購後虧損分擔	(1,294)	(1,969)
匯兌儲備分擔	746	103
	4,452	3,134

於二零零七年三月三十一日，本集團擁有下列聯營公司權益：

實體名稱	商業結構方式	註冊地點	擁有股份類別	本公司擁有已發行資本之面值之比例 %	業務形式
維埃里地板有限公司	註冊公司	香港	普通股	50	木製地板生產

本集團之聯營公司的財務資料概括如下：

	二零零七年 千港元	二零零六年 千港元
總資產	38,380	36,227
總負債	(29,476)	(29,959)
資產淨值	8,904	6,268
本集團應佔聯營公司之資產淨值	4,452	3,134
收入	29,583	24,396
年度溢利(虧損)	1,350	(722)
本集團應佔年度業績	675	(1,969)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

19. INVENTORIES

	2007 HK\$'000	2006 HK\$'000
Raw materials	36,471	35,333
Work in progress	54,025	34,559
Finished goods	18,254	19,424
	108,750	89,316

20. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

	2007 HK\$'000	2006 HK\$'000
Contracts in progress at the balance sheet date		
Contract costs incurred plus recognised profits less recognised losses	150,721	67,525
Less: Progress billings	(145,126)	(74,806)
	5,595	(7,281)
Analysed for reporting purpose as:		
Due from customers included in current assets	10,608	9,230
Due to customers included in current liabilities	(5,013)	(16,511)
	5,595	(7,281)

At 31 March 2007, there were HK\$4,061,000 (2006: HK\$1,931,000) retention monies held by customers for contract work performed and there were no advances (2006: HK\$1,005,000) received from customers for contract work performed.

21. OTHER CURRENT FINANCIAL ASSETS

	2007 HK\$'000	2006 HK\$'000
Trade receivables	129,529	120,387
Less: Allowances for bad and doubtful debts	(16,921)	(20,460)
	112,608	99,927

綜合財務報表附註

截至二零零七年三月三十一日止年度

19. 存貨

	二零零七年 千港元	二零零六年 千港元
原料	36,471	35,333
在製品	54,025	34,559
製成品	18,254	19,424
	108,750	89,316

20. 應收(應付)客戶之建造合約款項

	二零零七年 千港元	二零零六年 千港元
於結算日之在建中合約工程		
合約成本加已確認溢利及減已確認虧損	150,721	67,525
減：按進度付款項	(145,126)	(74,806)
	5,595	(7,281)
作報告之用的分析如下：		
應收客戶款項已包括在流動資產內	10,608	9,230
應付客戶款項已包括在流動負債內	(5,013)	(16,511)
	5,595	(7,281)

於二零零七年三月三十一日，本集團之客戶就合約工程持有保固金4,061,000港元(二零零六年：1,931,000港元)，而本集團並無從客戶就合約工程收取預付款項(二零零六年：1,005,000港元)。

21. 其他流動財務資產

	二零零七年 千港元	二零零六年 千港元
應收貿易賬項	129,529	120,387
減：呆壞賬準備	(16,921)	(20,460)
	112,608	99,927

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

21. OTHER CURRENT FINANCIAL ASSETS (Continued)

The following is an aged analysis of trade receivables at the reporting date:

	2007 HK\$'000	2006 HK\$'000
0 – 30 days	58,999	47,183
31 – 90 days	26,327	19,311
> 90 days	27,282	33,433
	112,608	99,927

The Group's credit terms for its contracting business are negotiated with its customers. The credit terms granted by the Group to other trade debtors are normally 30 days.

Amount due from an associate is unsecured, non-interest bearing and is repayable on demand.

Bank balances held by the Group carry interest at an average rate of 3.0% (2006: 3.0%).

Bank balances and cash of approximately HK\$12,606,000 (2006: HK\$20,342,000) was denominated in United States dollars, approximately HK\$2,826,000 (2006: HK\$4,260,000) was denominated in Euro and an aggregate amount of approximately HK\$10,219,000 (2006: HK\$5,409,000) was denominated in Renminbi and is not freely convertible into other currencies.

22. TRADE PAYABLES

The following is an aged analysis of trade payables at the reporting date:

	2007 HK\$'000	2006 HK\$'000
0 – 30 days	32,217	23,646
31 – 90 days	9,446	4,170
> 90 days	6,907	6,234
	48,570	34,050

綜合財務報表附註

截至二零零七年三月三十一日止年度

21. 其他流動財務資產(續)

於報告日之應收貿易賬項的賬齡分析如下：

	二零零七年 千港元	二零零六年 千港元
零至三十天	58,999	47,183
三十一天至九十天	26,327	19,311
九十天以上	27,282	33,433
	112,608	99,927

集團給予合約業務客戶之信貸期乃經過協商制定。集團給予其他應收貿易賬項之信貸期一般為三十天。

應收聯營公司賬項為無抵押，免息及可要求即時償還。

本集團所持有之銀行結存享有平均利率3厘(二零零六年：3厘)之利息。

銀行結存及現金約12,606,000港元(二零零六年：20,342,000港元)為美元，約2,826,000港元(二零零六年：4,260,000港元)為歐元及總額約10,219,000港元(二零零六年：5,409,000港元)為人民幣而不能自由轉換為其他貨幣。

22. 應付貿易賬項

於報告日之應付貿易賬項的賬齡分析如下：

	二零零七年 千港元	二零零六年 千港元
零至三十天	32,217	23,646
三十一天至九十天	9,446	4,170
九十天以上	6,907	6,234
	48,570	34,050

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

23. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Amounts payable under finance leases				
— within one year	1,967	2,958	1,882	2,738
— after one year but within two years	472	2,340	466	2,229
	2,439	5,298	2,348	4,967
Less: Future finance charges	(91)	(331)	—	—
Present value of lease obligations	2,348	4,967	2,348	4,967
Less: Amount due within one year classified as current liabilities			(1,882)	(2,738)
Amount due after one year			466	2,229

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. For the year ended 31 March 2007, the average effective borrowing rate was 7.3% per annum. Interest rates are fixed at the contract date.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24. BANK LOANS

Bank loans comprise the following:

	2007 HK\$'000	2006 HK\$'000
Secured	11,833	4,808
Unsecured	39,932	45,287
	51,765	50,095

綜合財務報表附註

截至二零零七年三月三十一日止年度

23. 租購合約承擔

	最低租賃償還額		最低租賃償還額現值	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
應償還租購合約				
— 一年內	1,967	2,958	1,882	2,738
— 一年後至兩年內	472	2,340	466	2,229
	2,439	5,298	2,348	4,967
減：將來之財務費用	(91)	(331)	—	—
租購合約承擔現值	2,348	4,967	2,348	4,967
減：一年內須償還之款額 分類為流動負債			(1,882)	(2,738)
一年後須償還款額			466	2,229

本集團以租購合約形式租賃一些廠房及設備，租賃期平均為三年，在二零零七年三月三十一日止之年度內，平均借貸年息率為7.3%。息率於租約日期固定。

所有租約有固定還款基礎。集團並無為或然租賃支出作出安排。

24. 銀行貸款

銀行貸款包括以下項目：

	二零零七年 千港元	二零零六年 千港元
有抵押	11,833	4,808
無抵押	39,932	45,287
	51,765	50,095

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

24. BANK LOANS (Continued)

	2007 HK\$'000	2006 HK\$'000
The maturity profile of the above loans is as follows:		
On demand or within one year	27,385	23,098
More than one year, but not exceeding two years	13,939	11,005
More than two years, but not exceeding five years	10,441	15,992
	51,765	50,095
Less: Amounts due within one year shown under current liabilities	(27,385)	(23,098)
Amounts due after one year shown under non-current liabilities	24,380	26,997

The exposure of the Group's fixed-rate borrowings and the contractual maturity is as follows:

	2007 HK\$'000	2006 HK\$'000
Fixed rate borrowings:		
Within one year	—	4,808

In addition, the Group has variable-rate borrowings which carry interest at floating rate. Interest is repriced every six months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2007	2006
Effective interest rate:		
Fixed-rate borrowings	6.1%	6.1%
Variable-rate borrowings	6.5% to 7.8%	3.6% to 8.2%

The Group's borrowings amounting to approximately nil (2006: HK\$1,487,000) were denominated in United States dollars, which is different from the functional currency of the relevant group entities.

At 31 March 2007, certain bank loans were secured by the Group's property, plant and equipment with carrying value of HK\$11,679,000 (2006: HK\$6,272,000).

綜合財務報表附註

截至二零零七年三月三十一日止年度

24. 銀行貸款(續)

	二零零七年 千港元	二零零六年 千港元
有關以上的貸款到期情況如下：		
即時或一年內	27,385	23,098
多於一年，但不超出兩年	13,939	11,005
多於二年，但不超出五年	10,441	15,992
	51,765	50,095
減：須一年內還款並顯示在流動負債內	(27,385)	(23,098)
款項還款期多於一年，並顯示在非流動負債內	24,380	26,997

本集團之固定利率貸款及契約到期日風險如下：

	二零零七年 千港元	二零零六年 千港元
固定利率貸款：		
一年以內	—	4,808

此外，本集團有非固定利率貸款，其利息以浮動利率計算，每六個月再調整。

本集團貸款的實際息率幅度(即相等於合約性息率)如下：

	二零零七年	二零零六年
實際息率：		
固定利率貸款	6.1%	6.1%
非固定利率貸款	6.5%至7.8%	3.6%至8.2%

本集團的貸款金額約零(二零零六年：1,487,000港元)為美元，此其有別於相關集團實體之主要貨幣。

於二零零七年三月三十一日，本集團以賬面值11,679,000港元(二零零六年：6,272,000港元)之物業、廠房及設備作抵押取得銀行貸款。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

25. DEFERRED TAXATION

The following are the major deferred tax liability and assets recognised and movements thereon during the current and prior reporting years:

	Bad and doubtful debts	Tax loss	Accelerated tax depreciation	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2005	—	—	6,536	6,536
Credit to income statement for the year	(1,076)	—	(789)	(1,865)
At 31 March 2006	(1,076)	—	5,747	4,671
Charge (credit) to income statement for the year	86	(2,067)	(586)	(2,567)
At 31 March 2007	(990)	(2,067)	5,161	2,104

At the balance sheet date, the Group has estimated unused tax losses of HK\$80,017,000 (2006: HK\$102,317,000) available for offset against future profits. No deferred tax asset in respect of the estimated tax losses has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately HK\$25,291,000 (2006: HK\$20,808,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

26. SHARE CAPITAL

	2007 & 2006	
	Number of shares	Nominal value
		HK\$'000
Ordinary shares of HK\$0.10 each:		
Authorised	400,000,000	40,000
Issued and fully paid	200,000,000	20,000

綜合財務報表附註

截至二零零七年三月三十一日止年度

25. 遞延稅項

於本年度及以往年度重大遞延稅項負債及資產之確認及變動如下：

	呆壞賬	稅項虧損	累計 稅項折舊	總額
	千港元	千港元	千港元	千港元
於二零零五年四月一日	—	—	6,536	6,536
本年度於收益表入賬	(1,076)	—	(789)	(1,865)
於二零零六年三月三十一日	(1,076)	—	5,747	4,671
本年度於收益表扣除(入賬)	86	(2,067)	(586)	(2,567)
於二零零七年三月三十一日	(990)	(2,067)	5,161	2,104

於結算日，本集團已評估未使用之稅項虧損為80,017,000港元(二零零六年：102,317,000港元)可用來抵消將來溢利。因將來溢利情況未能準確預測，故此並無遞延稅項資產因評估之稅項虧損而確認。評估之稅項虧損可無限期結轉。

於結算日，與不能分配盈利而沒有遞延稅項負債被確認的子公司所聯繫的暫時差異總約25,291,000港元(二零零六年：20,808,000港元)。因本集團能控制暫時差異及很有可能此等差異於可見未來將不會逆轉，故沒有將此等差異確認為負債。

26. 股本

	二零零七及二零零六年	
	股票數量	面值 千港元
每股面值0.1港元之普通股：		
法定	400,000,000	40,000
已發行及全數繳付	200,000,000	20,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

27. MAJOR NON-CASH TRANSACTIONS

- (i) In 2006, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$2,106,000.
- (ii) In 2006, the increase in investment in an associate of HK\$5,000,000 was settled by capitalisation of the amount due from the associate with the equivalent amount.

28. CONTINGENT LIABILITIES

- (i) At 31 March 2007, there were contingent liabilities in respect of a jointly guarantee with a third party to secure the finance leases granted to an associate. At 31 March 2007, the obligations under finance leases in the books and records of the associate amounted to approximately HK\$901,000 (2006: HK\$2,662,000).
- (ii) The U.S. Department of Commerce is expected to announce final determination on tariffs related to imports of Chinese-made wood bedroom furniture during the period from 24 June 2004 to 31 December 2005, later this year. Since the final rates are expected to be changed, the Group has not determined the possible effects of this announcement. The final determination might have a significant impact on the results of operations and the financial condition of the Group.

29. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had future minimum lease payments under non-cancellable operating leases in respect of rented properties which fall due as follows:

	2007 HK\$'000	2006 HK\$'000
Within one year	5,665	5,319
In the second to fifth year inclusive	6,917	6,630
	12,582	11,949

Leases are negotiated for an average term of three years and rentals are fixed for the lease period.

30. CAPITAL COMMITMENTS

	2007 HK\$'000	2006 HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided for in the financial statements	7,946	7,705
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	23,400	8,580

綜合財務報表附註

截至二零零七年三月三十一日止年度

27. 重大非現金交易

- (i) 於二零零六，本集團為資產安排租購合約，租購開始時之總資本價為2,106,000港元。
- (ii) 於二零零六，增加聯營公司投資5,000,000港元乃以應收聯營公司賬項之相同金額變為資本形式償付。

28. 或然負債

- (i) 於二零零七年三月三十一日，存在的或然負債是因第三者給予聯營公司租購合約而承擔之聯合保證。於二零零七年三月三十一日對聯營公司賬目及記錄內的租購合約承擔約為901,000港元(二零零六年：2,662,000港元)。
- (ii) 預期美國商務部於本年較後時間宣佈於二零零四年六月二十四日至二零零五年十二月三十一日期間有關中國製寢室木器傢俱的進口關稅之最後判決。由於預期最後稅率將會有所轉變，本集團對此宣判所帶來之可能性影響未有作出決定。此最後判決或對本集團之營運及財務狀況有重大影響。

29. 經營租約承擔

於結算日，本集團對於以不能取消之經營租約形式租用之物業，其日後最低償還額到期日表列如下：

	二零零七年 千港元	二零零六年 千港元
一年內	5,665	5,319
二至五年內	6,917	6,630
	12,582	11,949

租約訂定之平均期為三年，租約支出亦於租約期內固定。

30. 資本承擔

	二零零七年 千港元	二零零六年 千港元
已訂約但未於財務報表提撥的資本開支		
— 物業、廠房及設備	7,946	7,705
已批核但未訂約的資本開支		
— 物業、廠房及設備	23,400	8,580

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

31. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 23 February 2000 for the primary purpose of retaining high calibre executives and employees and the options are exercisable for a period up to 10 years from 23 February 2000. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 March 2007, the number of shares in respect of which options had been granted under the Scheme was 5,000,000, representing 2.5% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed to 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

No option may be granted to any individual which if exercised in full would result in such individual being entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued and issuable to him under the Scheme would exceed 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

Options granted on 31 August 2001 must be taken up at any time between 1 September 2002 to 31 August 2007, upon payment of HK\$1 as consideration of the grant. The exercise price is determined by the directors of the Company, and will not be less than 80% of the higher of the closing price of the Company's shares on the date of grant, and the average closing price of the shares for the five business days immediately preceding the date of grant or such other restrictions as stipulated in the Listing Rules.

The following table disclosed details of the Company's share options granted to directors and any movement in such holdings during the year:

Date of grant	Exercise price HK\$	Vesting period	Exercise period	Outstanding at 1.4.2005	Movement during the year	Outstanding at 31.3.2006	Movement during the year	Outstanding at 31.3.2007
31 August 2001	0.80	1.9.2001 to 31.8.2002	1.9.2002 to 31.8.2007	5,000,000	—	5,000,000	—	5,000,000

綜合財務報表附註

截至二零零七年三月三十一日止年度

31. 購股權計劃

於二零零零年二月二十三日議決通過採納的本公司之購股權計劃(「股權計劃」)，主要是為保留優秀行政人員及員工而設立的，有關購股權，可於二零零零年二月二十三日起十年內行使。根據股權計劃，董事會可向合資格的員工，包括本公司及其附屬公司的董事，授予認購本公司股份之購股權。

於二零零七年三月三十一日，根據股權計劃而授予的購股權所涉及的股份共為5,000,000股，相當於當天本公司已發行股份的2.5%。根據股權計劃授予之購股權所涉及之股份總額，在未得本公司股東同意前，不得超過本公司當時已發行股份的10%。

若任何員工完全行使授予之購股權而令在股權計劃下發給或可發給該員工之總股數超過在股權計劃下發給或可發給之總股數的25%時，則不可授予購股權給該員工。

於二零零一年八月三十一日所授予之購股權必須於二零零二年九月一日至二零零七年八月三十一日任何時間內被接納，並須繳付港幣一元作為酬金。購股權之行使價由本公司董事會釐定，但不得低於授予購股權當日本公司股份之收市價或之前五個交易日本公司股份收市價之平均值之80%，兩者以較高為準，或上市規則所規定為準。

本公司之購股權授予董事之詳情及本年度內之變動披露如下：

授予購股權之日期	行使價 港元	保留 權益期	行使期	於二零零五年	於二零零六年	於二零零七年		
				四月一日時 未行使之數量	該年度 內變動	三月三十一日 未行使之數量	本年度內 之變動	三月三十一日 未行使之數量
二零零一年八月三十一日	0.80	二零零一年 九月一日至 二零零二年 八月三十一日	二零零二年 九月一日至 二零零七年 八月三十一日	5,000,000	—	5,000,000	—	5,000,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

32. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs to the Mandatory Provident Fund Scheme, which contribution is matched by employees.

The eligible employees of the subsidiaries in the PRC are members of pension schemes operated by the Chinese local government. The subsidiaries are required to contribute certain percentages of the relevant part of the payroll of these employees to the pension schemes to fund the benefits.

There are retirement plans established in the United States of America for all domestic employees who meet certain eligibility requirements as to age and length of service.

The employer's contributions to the retirement benefits scheme charged to income statement and the forfeited voluntary contributions credited to the income statement amounted to approximately HK\$3,509,000 (2006: HK\$2,918,000) and HK\$32,000 (2006: HK\$40,000) respectively for the year ended 31 March 2007.

33. RELATED PARTY TRANSACTIONS

Apart from the amount due from an associate as disclosed in note 21, during the year, the Group paid rentals and building management fee of approximately HK\$2,361,000 (2006: HK\$2,136,000) in respect of the Group's office premises, showrooms and warehouses to a company in which certain shareholders and directors of the Company have beneficial interests.

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2007 HK\$'000	2006 HK\$'000
Short-term benefits	12,130	11,775
Post-employment benefits	358	359
	12,488	12,134

The remuneration of key management is determined by the Company's remuneration committee having regard to the performance of individuals and market trends.

34. POST BALANCE SHEET EVENTS

On 13 April 2007, the Group acquired operating assets and properties from an independent third party for a consideration of approximately US\$3,000,000 (equivalent to approximately HK\$23,400,000). The assets acquired mainly comprised of property, plant and equipment, inventory and intangible assets amounting to HK\$14,820,000, HK\$1,170,000, HK\$5,580,000 and HK\$1,830,000 respectively.

綜合財務報表附註

截至二零零七年三月三十一日止年度

32. 退休金計劃

本集團對所有合資格之員工提供強制性公積金計劃，計劃中之資產與本集團分開並由受託人管理其基金。本集團將有關員工薪金之5%供入強制性公積金計劃內，員工亦須供相同之款項。

在中華人民共和國內之附屬公司，其符合資格的員工乃中國當地政府所營運的退休計劃的成員，附屬公司須按員工薪酬有關部份，將某個百分比供至退休計劃內以繳付福利。

在美國的所有當地員工也有退休計劃，只要能符合有關年齡及服務年資的特定要求。

於二零零七年三月三十一日年度止，僱主於退休金計劃之供款在收益表中支付及自願性供款退回之部份計入收益表中的款項分別約為3,509,000港元(二零零六年：2,918,000港元)及32,000港元(二零零六年：40,000港元)。

33. 關連交易

除卻有關應收聯營公司賬項於附註21披露外，於本年內，集團已支付集團之辦公地方，陳列室及貨倉之租金與樓宇管理費約2,361,000港元(二零零六年：2,136,000港元)給某公司，該公司之某些股東及董事乃本公司之股東及董事。

主要管理人員之補償

本年度主要管理人員薪酬表列如下：

	二零零七年 千港元	二零零六年 千港元
短期福利	12,130	11,775
僱用後福利	358	359
	12,488	12,134

主要管理人員之薪酬由公司薪酬委員會按其個人表現及市場趨勢釐定。

34. 結算日後事項

於二零零七年四月十三日，本集團從獨立第三者收購營運資產及物業，代價約為300萬美元(約相等於2,340萬港元)。收購之資產主要包括物業、廠房及設備，存貨及無形資產，分別為1,482萬港元，117萬港元，558萬港元及183萬港元。

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

35. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 March 2007 are as follows:

Name of company	Place of incorporation/ establishment and operations	Nominal value of issued/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activity
			Directly	Indirectly	
Decca Investment Limited	British Virgin Islands	10,000 shares of US\$1 each	100%	—	Investment holding
Decca (Mgt) Limited ("DML")	Hong Kong	10 ordinary shares of HK\$100 each 145,600 non-voting deferred shares of HK\$100 each (Note a)	—	100%	Management services
Decca Limited	Hong Kong	2 ordinary shares of HK\$1 each	—	100%	Interior decoration work
Decca (HK) Limited	Hong Kong	2 ordinary shares of HK\$1 each	—	100%	Trading of furniture
Decca (China) Limited	Hong Kong	100,000 shares of HK\$1 each	—	100%	Investment holding and provision of subcontracting services to group companies
Decca Furniture Limited	Hong Kong	100,000 shares of HK\$1 each	—	100%	Trading of furniture and investment holding
HBF (HK) Limited	Hong Kong	10,000 shares of HK\$1 each	—	100%	Trading of furniture
Decca Overseas (S) Pte. Ltd.	Republic of Singapore	2 shares of SG\$1 each	—	100%	Trading of furniture
HBF Showroom Pte. Ltd.	Republic of Singapore	750,000 shares of SG\$1	—	100%	Trading of furniture
Decca Furniture (USA) Inc.	United States of America	10,000 shares of US\$0.01 each	—	100%	Investment holding

綜合財務報表附註

截至二零零七年三月三十一日止年度

35. 附屬公司詳情

以下為本公司於二零零七年三月三十一日之附屬公司之詳情：

公司名稱	註冊／成立 及營運地點	已發行／ 註冊資本	本公司應佔已發行／ 註冊資本百分比		主要業務
			直接	間接	
Decca Investment Limited	英屬處女群島	10,000股 每股面值1美元	100%	—	投資控股
達藝室內工程(管理)有限公司 (「香港達藝」)	香港	10股普通股 每股面值100港元 145,600每股面值 100港元之無投票權 遞延股份(附註a)	—	100%	管理服務
達藝室內工程有限公司	香港	2股普通股 每股面值1港元	—	100%	提供室內裝飾 工程
達藝(香港)有限公司	香港	2股普通股 每股面值1港元	—	100%	傢私買賣
達藝室內設計工程 (中國)有限公司	香港	100,000股 每股面值1港元	—	100%	投資控股及向集團 公司提供加工服務
達藝傢具有限公司	香港	100,000股 每股面值1港元	—	100%	傢私買賣 及投資控股
HBF (HK) Limited	香港	10,000股 每股面值1港元	—	100%	傢私買賣
Decca Overseas (S) Pte Ltd	新加坡	2股 每股面值1新加坡元	—	100%	傢私買賣
HBF Showroom Pte Ltd	新加坡	750,000股 每股面值1新加坡元	—	100%	傢私買賣
Decca Furniture (USA) Inc.	美國	10,000股 每股面值0.01美元	—	100%	投資控股

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

35. PARTICULARS OF SUBSIDIARIES (Continued)

Name of company	Place of incorporation/ establishment and operations	Nominal value of issued/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activity
			Directly	Indirectly	
Decca Hospitality Furnishings, LLC	State of North Carolina	Capital contribution of US\$154,286	—	100%	Trading of furniture
Decca Contract Furniture, LLC	State of North Carolina	Capital contribution of US\$1,000	—	100%	Trading of furniture
Bolier & Company, LLC	State of North Carolina	Capital contribution of US\$1,000	—	55%	Trading of furniture
東莞達藝家私有限公司 (Note b)	PRC	RMB50,000,000	—	100%	Manufacture of furniture and decoration materials
東莞益新家私裝飾有限公司 (Note c)	PRC	RMB3,600,000	—	100%	Manufacture of furniture and provision of after-sale services
Decca Furniture (Thailand) Limited	Thailand	2,450 ordinary shares of Baht 100 each	—	100%	Trading of furniture
Decca Furniture Europe Aps	Denmark	125,000 shares of Denmark Kroner 1 each	—	100%	Trading of furniture (not yet commenced business)

Notes:

- (a) The holders of the non-voting deferred shares are only entitled to dividends when the total dividends are declared by DML for any financial year exceeding HK\$1 trillion and, in the case of winding up of DML, are only entitled to receive a return of assets when the total value of assets of DML for distribution exceeds HK\$5 billion.
- (b) A wholly foreign owned enterprise established under the laws of the PRC.
- (c) A co-operative joint venture established under the laws of the PRC.

None of the subsidiaries had issued any debt securities during the year or at 31 March 2007.

綜合財務報表附註

截至二零零七年三月三十一日止年度

35. 附屬公司詳情(續)

公司名稱	註冊／成立 及營運地點	已發行／ 註冊資本	本公司應佔已發行／ 註冊資本百分比		主要業務
			直接	間接	
Decca Hospitality Furnishings, LLC	北卡羅萊納州	注入資本 154,286美元	—	100%	傢私買賣
Decca Contract Furniture, LLC	北卡羅萊納州	注入資本 1,000美元	—	100%	傢私買賣
Bolier & Company, LLC	北卡羅萊納州	注入資本 1,000美元	—	55%	傢私買賣
東莞達藝家私 有限公司(附註b)	中華人民共和國	50,000,000人民幣	—	100%	傢私及 裝飾材料製造
東莞益新家私裝飾 有限公司(附註c)	中華人民共和國	3,600,000人民幣	—	100%	傢私製造及提供 銷售後服務
Decca Furniture (Thailand) Limited	泰國	2,450股 每股面值100泰銖	—	100%	傢私買賣
Decca Furniture Europe Aps	丹麥	125,000股 每股面值1丹麥克朗	—	100%	傢私買賣 (未開始營業)

附註：

1. 香港達藝無投票權延遞股份之持有人只於香港達藝在某一財政年度宣佈分派之股息超逾10,000億港元時方可獲派股息。如香港達藝清盤，則此等股份之持有人只有在香港達藝之可分派資產值超逾50億港元方可獲得發還資產。
2. 在中華人民共和國法律下成立之外資企業。
3. 在中華人民共和國法律下成立之中外合作經營企業。

在本年度或於二零零七年三月三十一日，附屬公司並無發出任何債務證券。