

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

1. General Information

The Company is a limited liability company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is an investment holding company. Its subsidiaries and associates are principally engaged in manufacturing and trading of automotive components, securities dealing and investment, provision of securities brokerage services and investment holding as referred to Notes 18 and 19 respectively.

These consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

2. Impact of New and Revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which include Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), for the first time of the current year's financial statements, the adoption of these new and revised standards and interpretations has no material effect on these financial statements.

HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKFRS-Int 4	Determining whether an Arrangement contains a Lease

1. 一般資料

本公司為於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司為一間投資控股公司。誠如附註18及19所述，其附屬公司及聯營公司主要從事製造及買賣汽車零件、證券買賣投資、提供證券經紀服務及投資控股。

此等綜合財務報表以港元（「港元」）呈列，除另有註明者外，所有金額均四捨五入至最接近之千位數（「千港元」）。

2. 新訂及經修訂香港財務報告準則之影響

本集團於本年度之財務報表首次採納以下新訂及經修訂香港財務報告準則（「香港財務報告準則」），當中包括香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）及詮釋，採納該等新訂及經修訂之準則及詮釋對此等財務報表並無重大影響。

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
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處理
香港會計準則第39號（修訂本）	公平值選擇權
香港財務報告準則－詮釋第4號	釐定安排是否包括租賃

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. Impact of New and Revised Hong Kong Financial Reporting Standards (Continued)

The principal changes in accounting policies are as follows:

(a) HKAS 39 Financial Instruments: Recognition and Measurement

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in the accordance with HKAS 18 Revenue. The adoption of this amendment has had no material impact on these financial statements.

(ii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The adoption of this amendment has had no material effect on the financial statements.

(iii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no material effect on these financial statements.

(b) HKFRS-Int 4 Determining whether an Arrangement contains a Lease

This interpretation provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on these financial statements.

2. 新訂及經修訂香港財務報告準則之影響 (續)

主要會計政策變動如下：

(a) 香港會計準則第39號金融工具：確認及計量

(i) 財務擔保合約之修訂

該修訂乃修訂香港會計準則第39號之範圍，規定所發出不視為是保險合約之財務擔保合約，首次按公平值確認，其後根據香港會計準則第37號撥備、或然負債及或然資產釐定之金額，與首次確認之金額減(如適用)根據香港會計準則第18號收益所確認之累計攤銷之金額兩者中較高者重新計量。採納該修訂對此等財務報表並無重大影響。

(ii) 公平值選擇權之修訂

該修訂改變了按公平值計入損益之金融工具之定義，並限制了使用期權界定任何金融資產或金融負債須按公平值計入收益表計量。採納該修訂對財務報表並無重大影響。

(iii) 預測集團內部交易之現金流量對沖會計處理之修訂

該修訂乃修訂香港會計準則第39號，倘一項可能性很高之預測集團內部交易，以訂立該交易之實體之功能貨幣以外之貨幣結算，且該等外匯風險將影響綜合收益表，則容許該項交易之外匯風險符合資格作為一項現金流量對沖之對沖項目。由於本集團現時並無該等交易，此項修訂對此等財務報表並無影響。

(b) 香港財務報告準則 — 詮釋第4號釐定安排是否包括租賃

該詮釋乃就釐定安排是否包括須按租賃會計法入賬之租賃提供指引。該詮釋對此等財務報表並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. Impact of New and Revised Hong Kong Financial Reporting Standards (Continued)

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

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosures (effective for annual periods beginning on or after 1 January 2007)
HKFRS 7	Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007)
HKFRS 8	Operating Segments (effective for annual periods beginning on or after 1 January 2009)
HK(IFRIC)-Int 8	Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006)
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006)
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007)
HK(IFRIC)-Int 12	Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)
HKAS 23 (revised)	Borrowing costs (effective for annual periods beginning on or after 1 January 2009)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the results of operations and financial position.

2. 新訂及經修訂香港財務報告準則之影響 (續)

本集團並未在此等財務報表應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港會計準則第1號 (修訂本)	財務報表之呈列：資本披露(於二零零七年一月一日或之後開始之年度期間生效)
香港財務報告準則第7號	金融工具：披露(於二零零七年一月一日或之後開始之年度期間生效)
香港財務報告準則第8號	業務分部(於二零零九年一月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) – 詮釋第8號	香港財務報告準則第2號之範疇(於二零零六年五月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) – 詮釋第9號	嵌入式衍生工具之重新評估(於二零零六年六月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) – 詮釋第10號	中期財務報告及減值(於二零零六年十一月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫存股份交易(於二零零七年三月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) – 詮釋第12號	特許服務權安排(於二零零八年一月一日或之後開始之年度期間生效)
香港會計準則第23號 (經修訂)	借貸成本(於二零零九年一月一日或之後開始之年度期間生效)

本集團現正評估首次應用該等新訂及經修訂香港財務報告準則之影響，惟目前仍未能評定該等新訂及經修訂香港財務報告準則對經營業績及財務狀況會否造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with HKFRSs, which also include Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and other financial assets at fair value through profit or loss which are carried at fair value.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The result of subsidiaries are fully consolidated from the date of acquisition, being the date which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All significant inter-company transactions and balances within the group are eliminated on consolidation.

Minority interests shown in the consolidated income statement and the consolidated balance sheet represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries, respectively.

(i) Subsidiaries

A subsidiary is an entity in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors; or over which the Company has a contractual right to exercise a dominant influence with respect to that entity's financial and operating policies.

3. 主要會計政策

(a) 編製基準

此等財務報表乃按照香港財務報告準則(當中包括香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「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編製。此等綜合財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。綜合財務報表乃按歷史成本法編製,並就重估按公平值列賬之可供出售金融資產及其他按公平值計入損益之金融資產作出調整。

(b) 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零七年三月三十一日止年度之財務報表。經已作出調整以使任何可能存在之不同會計政策一致。

附屬公司之業績乃由購入日期(即本集團獲取控制權之日)開始作全面綜合入賬,並繼續綜合入賬直至有關控制權終止之日為止。

本集團內各公司間之重大交易及結餘均在綜合入賬時撇銷。

於綜合收益表及綜合資產負債表列示之少數股東權益,分別指外界股東於本公司附屬公司之業績及資產淨值所擁有而非本集團所持有之權益。

(i) 附屬公司

附屬公司乃指本公司直接或間接持有半數以上之投票權或已發行股本、或控制其董事會組成;或本公司擁有合約權利對其財務及經營政策行使支配性影響力之實體。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(b) Basis of consolidation (Continued)

(i) Subsidiaries (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The results of subsidiaries are included in the Company's income statements to the extent of dividends received and receivable. Interests in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(ii) Associates

Associates are entities over which the Group is in a position to exercise significant influence through participation in the financial and operating policy decisions of the investee.

The Group's interests in associates are stated in the consolidated balance sheet at Group's share of net assets under the equity method of accounting, less any identified impairment losses. 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.

In the Company's balance sheet, the interests in associates are treated as non-current assets and stated at cost less any impairment losses. The results of associates are included in the Company's income statement to the extent of dividends received and receivable.

3. 主要會計政策 (續)

(b) 綜合基準 (續)

(i) 附屬公司 (續)

本集團收購附屬公司採用購買會計處理法入賬。此方法涉及以業務合併之成本分配至所購入可識別資產之公平值以及於收購當日所承擔之負債及或然負債。收購成本以特定資產公平值、已發行股本工具及於交換日期所產生或承擔之負債加上收購直接應佔成本之總額計算。附屬公司業績只按已收及應收股息計入本公司之收益表。於附屬公司之權益乃按成本減任何減值虧損於本公司之資產負債表列賬。

(ii) 聯營公司

聯營公司乃本集團可藉著參與被投資方財務及營運政策決策以行使重大影響力之企業。

本集團於聯營公司之權益，乃以權益會計法，按本集團應佔之資產淨值減任何已識別減值虧損後，於綜合資產負債表列賬。倘若本集團應佔聯營公司之虧損，相等於或超過其於該聯營公司之權益，則本集團不再確認其應佔之其他虧損。只有在本集團已產生法律或推定責任或代表該聯營公司支付款項時，額外應佔之虧損方會提取撥備，而負債方會予以確認。

於本公司之資產負債表內，於聯營公司之權益乃作非流動資產處理，並按成本減任何減值虧損列賬。聯營公司業績只按已收及應收股息計入本公司之收益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(c) Property, plant and equipment

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. The annual rates used for depreciation are as follows:

Leasehold improvements	20% to 33.3%
Furniture and equipment	20% to 33.3%
Motor vehicles	25%
Plant and machinery	20% to 33.3%

The asset's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each balance sheet date.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset was greater than its estimated recoverable amount.

The gain or loss on disposal or retirement recognised in the income statement in the year the assets is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant assets.

3. 主要會計政策 (續)

(c) 物業、廠房及設備

所有物業、廠房及設備乃按歷史成本法減累計折舊及減值虧損列賬。資產之成本值包括其購買價及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應計成本。固定資產項目投產後所產生之支出，例如維修及保養，通常於產生支出期間自收益表扣除。倘若可清楚顯示有關支出令日後使用該固定資產項目之估計經濟利益增加，且該項目之成本能可靠計量，則支出將撥充資本，作為該項資產之額外成本或替代品。

折舊乃以直線法按各項固定資產之估計可使用年期撇銷其成本值至其餘值。折舊所使用之年率如下：

租賃樓宇裝修	20%至33.3%
傢具及設備	20%至33.3%
車輛	25%
廠房及機器	20%至33.3%

於各結算日檢討及調整(倘適用)資產之餘值、可使用年期及折舊方法。

倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時減至其可收回金額。

資產出售或報廢所產生之任何收益或損失於不再確認之年度之收益表中確認，為有關資產出售所得款項淨額與賬面值之間之差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(d) Goodwill

Goodwill arising on consolidation represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary or an associate at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment losses. Goodwill on acquisitions of subsidiaries is presented separately. Goodwill on acquisition of associates is included in interests in associates. Goodwill is tested for impairment at the reporting date and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired such goodwill is carried at cost less accumulated impairment losses. An impairment loss on goodwill is recognised in the consolidated income statement and is not reversed in subsequent period. On subsequent disposal of a subsidiary or an associate, the attributable amount of goodwill capitalised is included in the calculation of profit or loss on disposal.

(e) Impairment of assets other than goodwill

Assets that have an indefinite useful life are not subject to amortisation and tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication that those assets have suffered an impairment loss. Where an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairments loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of the asset's or cash generating unit's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. 主要會計政策 (續)

(d) 商譽

因綜合賬目而產生之商譽，指業務合併成本超逾本集團佔所收購附屬公司或聯營公司之可識別資產、負債及或然負債於收購當日之公平值淨值之權益之差額。商譽初步按成本值確認為資產，其後按成本值減任何減值虧損計量。因收購附屬公司而產生之商譽單獨呈列。因收購聯營公司而產生之商譽計入於聯營公司之權益。商譽於報告日期及有跡象顯示商譽涉及之現金產生單位可能出現減值時進行減值測試。該項商譽乃按成本減累計減值虧損列賬。商譽之減值虧損於綜合收益表中確認，且於其後期間不予撥回。於日後出售附屬公司或聯營公司時，已撥充資本之應計商譽均列作計算出售損益之考慮因素。

(e) 資產之減值 (商譽除外)

無限定可使用年期之資產毋須進行攤銷，惟需每年測試有否減值，並當情況或環境變化顯示賬面值或不能收回時作減值檢討。須攤銷之資產則在有跡象顯示該等資產已遭受減值虧損時作出減值檢討。倘任何減值跡象存在，則估計資產之可收回金額，以確定減值虧損 (如有) 之數額。倘無法估計各別資產之可收回金額，本集團則估計資產所屬現金產生單位之可收回金額。可收回金額乃資產或現金產生單位之公平值減銷售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前折現率折現為其現值，折現率可反映貨幣時間價值及資產獨有之風險於當時之市場評估。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(e) Impairment of assets other than goodwill (Continued)

If the recoverable amount of an asset or cash-generating unit 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 immediately in income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a decrease in the revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for that asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in the revaluation reserve.

(f) Investments and other financial assets

The Group classified its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition and re-evaluated this designation at the balance sheet date.

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

This category includes financial assets held for trading and financial assets designated at fair value through profit or loss at inception. Assets in this category are measured at fair value classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date. Gains or losses on investments held for trading are recognised in the income statements.

3. 主要會計政策 (續)

(e) 資產之減值 (商譽除外) (續)

倘資產或現金產生單位之估計可收回金額低於其賬面值，該資產之賬面值將調減至其可收回金額。減值虧損即時於收益表內確認，除非有關資產是以重估值列賬，在該情況下，則有關減值虧損將被視為重估儲備減少。

當減值虧損其後撥回，有關資產賬面值將予調升至經修訂之估計可收回金額，惟僅限於經調升後之賬面值不會超過有關資產或現金產生單位於先前年度減值虧損未確認前釐定之賬面值。減值虧損之撥回即時於收益表內確認，除非有關資產是以重估值列賬，在該情況下，則有關減值虧損之撥回將被視為重估儲備增加。

(f) 投資及其他金融資產

本集團將其金融資產分類如下：按公平值計入損益之金融資產、貸款及應收賬款及可供出售金融資產。分類方式視乎購入金融資產之目的而定。管理層在初步確認時釐定其金融資產之分類，並於結算日重新評估有關指定。

(i) 按公平值計入損益之金融資產

此類別包括持作買賣金融資產及於購入時指定為按公平值計入損益之金融資產。此類別資產於持作買賣用途或預期將於結算日起計12個月內變現之情況下按公平值分類為流動資產。持作買賣投資之損益於收益表確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(f) Investments and other financial assets (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statements when the loans and receivables are derecognised or impaired.

An impairment loss is recognised in income statement 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.

(iii) Available-for-sale financial assets

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

3. 主要會計政策 (續)

(f) 投資及其他金融資產 (續)

(ii) 貸款及應收賬款

貸款及應收賬款為有固定或可釐定付款且沒有在活躍市場上報價之非衍生金融資產。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收賬款使用實際利率法按攤銷成本列賬。貸款及應收賬款終止確認或減值時於收益表確認損益。

當有客觀證據證明資產已減值，並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算時，減值虧損在收益表確認。當資產之可收回金額之增加客觀而言與確認減值後所發生之事件有關，減值虧損會於之後期間撥回，惟規定資產在撥回減值當日之賬面值不得超過如無確認減值之攤銷成本。

(iii) 可供出售金融資產

可供出售金融資產乃指定為此類別或未歸類為任何其他類別之以上市或非上市股本證券形式存在之非衍生金融資產。於初始確認後，可供出售金融資產以公平值計量，其損益以另一權益部分確認直至該金融資產被終止確認或該金融資產被確認減值，同時早前於權益表載列之累計損益應計入收益表內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(f) Investments and other financial assets (Continued)

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

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

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

An impairment loss is recognised in the income statement when there is objective evidence that the equity investment is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the equity investment and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods. Any subsequent increase in the fair value of such equity investment is recognised directly in equity.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and subcontracting charges. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

3. 主要會計政策 (續)

(f) 投資及其他金融資產 (續)

(iii) 可供出售金融資產 (續)

當非上市股本證券及債務證券之公平值不可能被可靠地計量，因為該金融資產之估計合理公平值之範圍變動重大；或在範圍內之多項估計之可能性不能被合理地評估並用於估計公平值，則該證券應以成本減任何減值虧損列賬。

在管理有序之金融市場中交投活躍之金融資產，其公平值乃參考結算日營業結束時市場之買入報價釐定。就並無活躍市場之金融資產而言，其公平值乃運用估值方法釐定。估值方法包括利用近期之公平市場交易；參照其他大致相同工具之現行市值；折現現金流量分析；及其他估值模式。

有客觀證據顯示股本投資已減值時，於收益表內確認減值虧損，並且按照股本投資賬面值與按類似金融資產當前市場回報率折現之估計未來現金流量之現值之差額衡量減值虧損。有關減值虧損不會於其後期間撥回。有關股本投資之公平值之任何其後增加將直接計入權益。

(g) 存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本乃按加權平均法釐訂。製成品及在製品之成本包括原料及分包費用。可變現淨值為預期售價減完成及出售時將予產生之任何估計成本釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(h) Financial Guarantee Contracts

A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the beneficiary of the guarantee for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. The company does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee would result in a present legal or constructive obligation. If the liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately.

(i) 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:

- (i) sales of goods is recognised when the Group delivered products to the customer, or when the significant risk and rewards of ownership have been transferred to the buyer.
- (ii) interest income is recognised on a time proportion basis, using the effective interest method.
- (iii) dividend income is recognised when the right to receive payment has been established.
- (iv) dealing in securities and sales of investments, on the transaction dates when the relevant contract notes are exchanged or the settlement dates when the securities are delivered.
- (v) commission income is recognised when services are rendered.

3. 主要會計政策 (續)

(h) 財務擔保合約

財務擔保合約為須擔保人作出特定付款以償付擔保受益人因特定債務人未能根據債務工具之條款於到期時還款而產生之虧損之合約。本公司並無於開始時就財務擔保確認負債，惟會於各報告日期藉比較有關財務擔保之各負債淨額與倘財務擔保將導致現時法定或推定責任而所須之金額而進行負債充足性測試。倘有關負債低於其現有法定或推定責任金額，則全數差額即時於收益表確認。

(i) 收益確認

本集團於經濟利益可能流入本集團，且能可靠地計量收益時按以下基準確認收益：

- (i) 銷售貨品乃於本集團向客戶交付產品或與所有權有關之重大風險及回報轉讓予買家時確認。
- (ii) 利息收入乃採用實際利率法按時間比例基準確認。
- (iii) 股息收入於收取付款之權利確立時確認。
- (iv) 證券交易及出售投資於交易日期(有關買賣契約交換時)或結算日期(證券交付時)確認。
- (v) 佣金收入於提供服務時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(j) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period directly in equity. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred income tax was provided in full, using the liability method, on temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arose from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affected neither accounting nor taxable profit or loss.

Deferred income tax was determined using tax rates that are enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset was realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit would be available against which the temporary differences could be utilised.

Deferred income tax is provided on temporary differences arising on interests in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

3. 主要會計政策 (續)

(j) 所得稅

所得稅包括即期及遞延稅項。所得稅於收益表內確認，或當所得稅於同期或不同期間，直接確認在權益之相關項目，則於權益中確認。於本期及過往期間之流動稅項資產及負債，乃以預計能從稅務機關收回或已付之金額作計算。

遞延所得稅以負債法就於結算日資產及負債之稅基與在綜合財務報表之賬面值之差額產生之暫時差異全數撥備。然而若遞延所得稅來自在交易(不包括企業合併)中對資產或負債之初步確認，而在交易時不影響會計損益或應課稅溢利或虧損，則不會入賬處理。

遞延所得稅採用在結算日已頒佈或實質頒佈並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用之稅率而釐定。

遞延所得稅資產乃就可能未來應課稅溢利而就此可使用暫時差異而確認。

遞延所得稅就於附屬公司及聯營公司之權益所產生之暫時差異予以確認，除非暫時差異轉回之時間由本集團控制，而暫時差異很可能不會於可見將來轉回則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that a future outflow of resources will be required to settle the obligation, and provided that a reliable estimate can be made of the amount of the obligation.

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

(l) Employee benefits

The Group's subsidiaries in the PRC and Japan participates in the state-managed retirement benefit schemes operated by respective local governments under the law of the countries in which the subsidiaries operate. The subsidiaries are required to make monthly contributions at rates prevailing in the relevant law on the employees' monthly salaries.

The Hong Kong subsidiaries operate defined contribution retirement benefit schemes under the Hong Kong Mandatory Provident Fund Schemes Ordinance ("Ordinance"). The Ordinance requires both the company and the employees to contribute 5% of the employees' monthly gross earnings with a ceiling of HK\$1,000 per month. The assets of the scheme are held separately from those of the Group in independently administered funds. The contributions payable by the Group to the scheme are charged to the income statement.

3. 主要會計政策 (續)

(k) 撥備

倘由於過往發生之事件引致目前法定或推定之債務，而該等債務可能導致日後資源流出以清還負債，撥備則會被確認，但條件為能夠可靠估計負債金額。

倘折現影響屬重大，就撥備而確認之金額為預期清償債務所需之未來開支於結算日之現值。因時間過去而引致之折現現值之增加會計入收益表內之融資成本。

(l) 僱員福利

本集團之中國及日本附屬公司按其所在國家法律參與各當地政府管理之國營退休福利計劃。附屬公司須按相關法律規定之僱員月薪比率每月作出供款。

香港附屬公司根據香港強制性公積金計劃條例（「條例」）運作定額供款退休福利計劃。條例規定公司及僱員須同時作出僱員每月總收入5%之供款，最高上限為每月1,000港元。計劃資產與本集團資產由獨立管理之基金分開管理。本集團應付計劃之供款於收益表扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(m) Share-based payment transactions

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date by external valuer, taking into account the terms and conditions upon which the options were granted.

On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares.

(n) Borrowing costs

Borrowing costs are recognised in the income statement in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sales.

(o) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable made under operating leases are expensed in the income statement on a straight-line basis over the period of the lease.

3. 主要會計政策 (續)

(m) 股份付款交易

授予僱員之購股權公平值確認為僱員成本，而權益內之資本儲備亦會相應增加。公平值於授出日期由外部估值師經考慮授出購股權所依據之條款及條件計量。

於歸屬日期，確認為開支之金額予以調整，以反映實際歸屬之購股權數目，而資本儲備亦會相應調整，惟因未能達致與本公司股份市價有關之歸屬條件而被沒收之情況除外。

(n) 借貸成本

除直接用作收購、建設或生產而需要相當長時間才可以投入原定用途或銷售之資產之借貸成本予以資本化外，借貸成本均在產生之期間在收益表確認。

(o) 經營租賃

倘資產所有權之絕大部分風險及回報乃由出租人承擔，其有關租賃則列為經營租賃。經營租賃項下應付租金於租賃期內以直線法計入收益表內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(p) Cash and cash equivalents

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

For the purpose of the balance sheet, cash and bank balances comprise cash on hand, cash at banks and demand deposits which are not restricted as to use.

(q) Foreign currency translations

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

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

3. 主要會計政策 (續)

(p) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物乃指手頭現金、銀行現金及可隨時轉換為已知金額現金之活期存款(其所承受之價值變動風險並不重大，並為一般於購入日期起計三個月內到期之較短期項目)，並已減去須於提出要求時償還之銀行透支，此等投資乃構成本集團現金管理之組成部分。

就資產負債表而言，現金及銀行結餘包括無限制用途之手頭現金、銀行現金及活期存款。

(q) 外幣換算

財務報表乃以本公司之功能及呈列貨幣港元呈列。本集團屬下各公司自行決定本身之功能貨幣，而相關公司之財務報表所包括項目按功能貨幣計量。外幣交易首先按各自之交易日期適用之功能貨幣匯率入賬。以外幣計值之貨幣資產及負債按結算日適用之功能貨幣匯率換算。所有滙兌差額於收益表處理。以外幣按歷史成本計量之非貨幣項目按原訂交易日期之匯率換算，而按公平值計量之非貨幣項目則按釐定公平值當日之匯率換算。

若干海外附屬公司之功能貨幣並非港元。於結算日，該等公司之資產及負債按結算日之匯率換算為本公司之呈列貨幣，而收益表按年內之加權平均匯率換算為港元。所產生之滙兌差額計入滙兌儲備。出售海外附屬公司時，有關特定海外業務於滙兌儲備確認之遞延累計數額將於收益表確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

3. Principal Accounting Policies (Continued)

(q) Foreign currency translations (Continued)

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

(r) Related parties

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

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

(s) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. 主要會計政策 (續)

(q) 外幣換算 (續)

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率或當日之概約年內加權平均匯率換算為港元。海外附屬公司於整個年度經常產生之現金流量，按年內之加權平均匯率換算為港元。

(r) 有關連人士

下列人士將視為與本集團有關連：

- (i) 該方為直接或間接透過一個或多個中介機構(a)控制本集團或受本集團控制或與本集團共同受他人控制；(b)於本集團擁有權益，並據此對本集團有重大影響力；或(c)共同控制本集團之人士；
- (ii) 該方為聯繫人士；
- (iii) 該方為共同控制企業；
- (iv) 該方為本集團或其母公司之主要管理人員中之成員；
- (v) 該方為(i)至(iv)所述任何個別人士之近親；
- (vi) 該方為(iv)或(v)所述任何個別人士直接或間接控制、共同控制或持有大部分投票權之實體；或
- (vii) 該方為離職後福利計劃受益人為本集團僱員或任何為本集團有關連人士之實體。

(s) 股息分派

分派予本公司股東之股息於本公司股東批准股息期間，在本集團之財務報表中確認為負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

4. Critical Accounting Estimates and Judgements

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

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

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment losses. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovation. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group used a variety of methods and made assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

4. 重要會計估計及判斷

本集團會根據過往經驗及其他因素，包括在相關情況下認為合理之對未來事件期望，不斷評估估計及判斷。

本集團會就未來作出估計及假設，所產生會計估計項目顧名思義極少等同相關實際結果。很大可能導致下一個財政年度之資產及負債賬面值須作出重大調整之估計及假設於下文討論：

(a) 估計商譽減值

本集團須每年檢測商譽有否出現減值虧損。檢測商譽有否出現減值需估計獲分配商譽之現金產生單位之使用價值，在估計使用價值時需本集團估計該現金產生單位預期之未來現金流量，並選擇適當之貼現率計算該等現金流量之現值。

(b) 物業、廠房及設備之可用年期

本集團管理層釐定其物業、廠房及設備之估計可用年期及相關折舊開支。此項估計乃根據性質及功能相若之物業、廠房及設備過往實際可用年限為基準作出，可因技術創新而產生重大變動。管理層將於可用年期有別於以往估計年期時調整折舊費用，亦會撇銷或撇減已棄置或售出之技術過時或非策略資產。

(c) 公平值估計

並非於活躍市場買賣之金融工具之公平值乃使用估值法釐定。本集團使用多種方法，並基於各結算日存在之市況作出假設。釐定其餘金融工具公平值時則使用其他技術，例如估計貼現現金流量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

4. Critical Accounting Estimates and Judgements (Continued)

(c) Fair value estimation (Continued)

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(d) Net realisable value of inventories estimation

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling and distribution costs. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at each balance sheet date.

(e) Impairment loss for loans to associates and amounts due from subsidiaries estimation

The impairment loss for loans to associates of the Group and amounts due from subsidiaries is based on the evaluation of collectability and aging analysis of the debts and on managements' 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 associate. If the financial conditions of the associates were to deteriorate, resulting in their ability to make payments, additional impairments may be required.

(f) Share-based payment transactions

In determining the total expenses for the Group's equity compensation plans, the Group estimates the number of share options that are expected to become exercisable at the date of grant. At each balance sheet date before the share options that are become exercisable, the Group will revise the total expenses where that number of share options that are expected to become exercisable are different to previously estimated.

4. 重要會計估計及判斷 (續)

(c) 公平值估計 (續)

貿易應收賬款及應付賬款之面值減估計信貸調整乃假設與其公平值相若。作為披露用途，金融資產及負債之公平值乃按本集團就類似金融工具可得當時市場利率貼現日後約定現金流量估計。

(d) 存貨估計之可變現淨值

存貨之可變現淨值指日常業務過程中之估計售價減估計之銷售及分銷成本。該等估計乃基於現時市況及銷售同類產品之過往經驗進行，但可能會因競爭對手為回應嚴峻行業週期而產生重大變動。管理層將於各結算日重新評估該等估計。

(e) 給予聯營公司貸款及應收附屬公司款項估計減值虧損

本集團給予聯營公司貸款及應收附屬公司款項之減值虧損乃以可收回欠款之評估及債務之賬齡分析以及管理層之判斷為依據。評估應收款項之最終變現時需要作出相當判斷，包括各聯營公司當時之信譽及過往還款紀錄。倘該等聯營公司之財務狀況因彼等之還款能力而轉差，則或須作出額外減值。

(f) 股份付款交易

於釐定本集團股本補償計劃之總開支時，本集團估計預期將於授出日期可予行使之購股權數目。於購股權可予行使前各結算日，本集團將於預期可予行使之購股權數目有別於早前估計之情況下修訂總開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

5. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group does not have a foreign currency hedging policy. The management monitors the relative foreign exchanges positions of its assets and liabilities and will consider hedging significant foreign currency exposure should the need arises.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by maintaining sufficient cash available.

(d) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

5. 財務風險管理

本集團業務面對各種財務風險：外匯風險、信貸風險、流動資金風險及利率風險。

(a) 外匯風險

本集團業務遍及全球，因不同貨幣而須承擔外匯風險。外匯風險源自日後進行之商業交易、已確認資產與負債以及海外業務之投資淨額。本集團現時並無外幣對沖政策。管理層監控其資產及負債之相關外匯狀況，並將於需要時考慮對沖重大外幣風險。

(b) 信貸風險

本集團並無高度集中信貸風險。本集團訂有政策確保向具良好信貸記錄之客戶銷售產品。

(c) 流動資金風險

本集團審慎管理流動資金風險，備有充足現金。由於相關業務靈活多變，故本集團旨在維持充足可動用現金，以保持資金之靈活彈性。

(d) 利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量大致上不受市場利率變動影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

6. Turnover and Segment Information

Turnover represents net invoiced value of goods sold or service provided, less sales returns and discount, gross proceeds from securities dealings and trading, commission on provision of securities brokerage services.

Segment information is presented by way of business segment as the primary segment reporting format and geographical segment as the secondary segment reporting format.

The Group's operating businesses are structured and managed separately, according to the nature of their operations. The Group's business segments represent different strategic business units which are subject to risks and returns that are different from those of the other business segments. In respect of geographical segment reporting, revenue is based on the location of customers, and assets and capital expenditure are based on the location of assets.

(a) Primary reporting format-business segments

In the current year, the Group discontinued its operation in trading of electronic components business. Accordingly, the consolidated income statement and presentation of certain items in the financial statements of last year have been restated to comply with the relevant requirements.

Descriptions of the business segments are as follows:

- (i) the manufacturing and trading of automotive components business;
- (ii) the securities investment segment includes dealings in securities and trading of investments;
- (iii) the securities brokerage segment provides securities brokerage services; and
- (iv) the "Others" segment comprises principally the distribution of television programmes, the provision of logistics services and other trading businesses.

6. 營業額及分類資料

營業額指已售貨品或已提供服務發票淨值減退貨及折扣、證券交易及買賣所得款項毛額、提供證券經紀服務之佣金。

分類資料以業務分類作為主要分類呈報方式，及地區分類作為次要呈報方式。

本集團之經營業務乃根據各業務之性質劃分及獨立管理。本集團之業務分類指所涉及風險及回報與其他業務分類有別之不同策略業務單位。就地區分類呈報而言，收入乃根據客戶所在地歸入分類，而資產及資本開支根據資產所在地歸入分類。

(a) 主要呈報方式－業務分類

於本年度，本集團終止經營買賣電子零件業務。因此，為符合相關規定，去年之綜合收益表及財務報表內若干項目之呈列已重列。

業務分類之描述如下：

- (i) 製造及買賣汽車零件業務；
- (ii) 證券投資分類包括證券投資買賣；
- (iii) 證券經紀分類提供證券經紀服務；及
- (iv) 「其他」分類主要包括發行電視節目、提供物流服務及其他貿易業務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

6. Turnover and Segment Information (Continued)

(a) Primary reporting format-business segments (Continued)

An analysis of the Group's segment information by business segments is set out as follows:

6. 營業額及分類資料 (續)

(a) 主要呈報方式－業務分類 (續)

本集團之分類資料按業務分類劃分之分析如下：

		For the year ended 31 March 2007 截至二零零七年三月三十一日止年度					Discontinued operation 終止經營業務		
		Continuing operations 持續經營業務							
		Manufacturing and trading of automotive components 製造及買賣汽車零件 HK\$'000 千港元	Securities investment 證券投資 HK\$'000 千港元	Securities brokerage 證券經紀 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Inter-segment elimination 分類間撇銷 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Trading of electronic components 買賣電子零件 HK\$'000 千港元	Consolidated 綜合數額 HK\$'000 千港元
Revenue	收入								
- External	- 外部	10,473	112,691	1,023	6,448	-	130,635	-	130,635
- Internal	- 內部	-	-	224	-	(224)	-	-	-
		10,473	112,691	1,247	6,448	(224)	130,635	-	130,635
Segment results	分類業績	(11,967)	142	(2,393)	(1,838)	-	(16,056)	(318)	(16,374)
Unallocated group expenses	未分配集團開支						(22,567)	-	(22,567)
Finance costs	財務費用						(3)	-	(3)
Impairment of loans to associates	給予聯營公司貸款之減值						(393)	-	(393)
Loss before taxation	除稅前虧損						(39,019)	(318)	(39,337)
Taxation	稅項						(80)	-	(80)
Loss before minority interests	未計少數股東權益前虧損						(39,099)	(318)	(39,417)
Minority Interests	少數股東權益						6,873	-	6,873
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年內虧損						(32,226)	(318)	(32,544)
Segment assets	分類資產	20,061	5,165	17,274	3,736	-	46,236	-	46,236
Unallocated	未分配						115,194	-	115,194
Total assets	資產總值						161,430	-	161,430
Segment liabilities	分類負債	(7,804)	(5,064)	(7,125)	(5,667)	15,600	(10,060)	(11)	(10,071)
Unallocated	未分配						(819)	-	(819)
Total liabilities	負債總額						(10,879)	(11)	(10,890)
Capital expenditure	資本開支	784	-	1,317	35	-	2,136	-	2,136
Unallocated	未分配						111	-	111
Total capital expenditure	總資本開支						2,247	-	2,247
Depreciation	折舊	1,825	-	266	264	-	2,355	-	2,355
Unallocated	未分配						292	-	292
Total depreciation	總折舊						2,647	-	2,647

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

6. Turnover and Segment Information (Continued)

(a) Primary reporting format-business segments (Continued)

6. 營業額及分類資料 (續)

(a) 主要呈報方式－業務分類 (續)

For the year ended 31 March 2006 (Restated)
截至二零零六年三月三十一日止年度 (重列)

		Continuing operations 持續經營業務		Sub-total 小計 HK\$'000 千港元	Discontinued operation 終止經營業務	Consolidated 綜合數額 HK\$'000 千港元
		Manufacturing and trading of automotive components 製造及買賣 汽車零件 HK\$'000 千港元	Others 其他 HK\$'000 千港元		Trading of electronic components 買賣電子零件 HK\$'000 千港元	
Revenue	收入	1,381	1,368	2,749	13,649	16,398
Segment results	分類業績	(3,109)	(9,397)	(12,506)	(17,475)	(29,981)
Unallocated group expenses	未分配集團開支			(16,152)	–	(16,152)
Finance costs	財務費用			(600)	–	(600)
Impairment on goodwill of associates	聯營公司商譽減值			(25,479)	–	(25,479)
Impairment on loans to associates	給予聯營公司貸款之減值			(4,667)	–	(4,667)
Share of loss of associates	應佔聯營公司之虧損			(1,717)	–	(1,717)
Loss before taxation	除稅前虧損			(61,121)	(17,475)	(78,596)
Taxation	稅項			–	–	–
Loss before minority interests	未計少數股東權益前 虧損			(61,121)	(17,475)	(78,596)
Minority interests	少數股東權益			1,460	–	1,460
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔 年內虧損			(59,661)	(17,475)	(77,136)
Segment assets	分類資產	23,494	3,278	26,772	12,167	38,939
Interests in associates	聯營公司權益			393	–	393
Unallocated	未分配			40,601	–	40,601
Total assets	資產總值			67,766	12,167	79,933
Segment liabilities	分類負債	(3,950)	(312)	(4,262)	(10)	(4,272)
Unallocated	未分配			(780)	–	(780)
Total liabilities	負債總額			(5,042)	(10)	(5,052)
Capital expenditure	資本開支	843	1,043	1,886	–	1,886
Unallocated	未分配			1,197	–	1,197
Total capital expenditure	總資本開支			3,083	–	3,083
Depreciation	折舊	192	142	334	450	784
Unallocated	未分配			352	–	352
Total depreciation	總折舊			686	450	1,136

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

6. Turnover and Segment Information (Continued)

(b) Secondary reporting format-geographical segments

An analysis of the geographical segments is set out as follows:

6. 營業額及分類資料 (續)

(b) 次要呈報方式—地區分類

本集團之業務按地區分類劃分之分析如下：

		2007 二零零七年			Consolidated
		Hong Kong	PRC	Overseas	Consolidated
		香港	中國	海外	綜合數額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	收入	121,357	1,980	7,298	130,635
Segment assets	分類資產	125,107	31,981	4,342	161,430
Capital expenditure	資本開支	1,463	784	-	2,247

		2006 二零零六年			Consolidated
		Hong Kong	PRC	Overseas	Consolidated
		香港	中國	海外	綜合數額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	收入	1,177	14,779	442	16,398
Segment assets	分類資產	45,061	34,479	-	79,540
Interests in associates	聯營公司權益	393	-	-	393
Total assets	資產總值	45,454	34,479	-	79,933
Capital expenditure	資本開支	1,034	843	-	1,877
Unallocated expenditure	未分配				1,206
Total capital expenditure	總資本開支				3,083

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

7. Other Net Income / (Loss)

7. 其他收入／(虧損)淨額

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Net loss realised from disposal of investment in securities	出售證券投資之 已變現虧損淨額	-	(1,076)
Foreign exchange gain	滙兌收益	27	-
Interest income	利息收入	2,521	432
Gain on disposal of subsidiaries	出售附屬公司之收益	5	45
Others	其他	72	171
		2,625	(428)

8. Finance Costs

8. 財務費用

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on convertible bonds	可換股債券利息	-	5
Interest on bank overdrafts	銀行透支利息	3	-
Interest on shareholder's loan	股東貸款利息	-	595
		3	600

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

9. Loss Before Taxation

Loss before taxation is arrived at after charging:

9. 除稅前虧損

除稅前虧損已扣除以下各項：

		Continuing operations		Discontinued operation		Consolidated	
		持續經營業務		終止經營業務		綜合數額	
		2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
			(Restated)		(Restated)		(Restated)
			(重列)		(重列)		(重列)
Auditors' remuneration	核數師酬金	611	300	-	-	611	300
Cost of inventories sold	售出存貨成本	14,078	945	-	20,605	14,078	21,550
Cost of securities investment	證券投資成本	111,251	-	-	-	111,251	-
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,647	686	-	450	2,647	1,136
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	6	370	17	-	23	370
Operating lease charges in respect of rented premises	承租物業之經營租賃支出	2,851	827	-	-	2,851	827
Provision for obsolete inventories	陳舊存貨撥備	1,359	-	-	-	1,359	-
Impairment on trade receivables	貿易應收賬款之減值	-	-	-	6,664	-	6,664
Impairment on property, plant and equipment	物業、廠房及設備之減值	-	-	-	3,053	-	3,053
Impairment on intangible assets	無形資產之減值	-	55	-	-	-	55
Fair value adjustment on available-for-sale financial assets	可供出售金融資產之公平值調整	282	506	-	-	282	506
Staff costs (excluding directors' emoluments)	僱員成本 (不包括董事酬金)						
- salaries and allowances	- 薪金及津貼	12,101	4,752	-	85	12,101	4,837
- equity-settled share-based payments	- 股本結算股份付款	5,601	823	-	-	5,601	823
- contributions to retirement benefits schemes (Note)	- 退休福利計劃供款 (附註)	680	296	-	4	680	300

Note: At 31 March 2007, the Group had no forfeited contributions available to reduce its contributions to its retirement benefits schemes in future years (2006: HK\$Nil).

附註：於二零零七年三月三十一日，本集團並無沒收供款(二零零六年：零港元)，可用作減少未來年度向退休福利計劃作出之供款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

10. Taxation

10. 稅項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current taxation	即期稅項		
Hong Kong	香港	25	-
Overseas	海外	55	-
Tax charges for the year	本年度稅項支出	80	-

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year.

香港利得稅乃按年內於香港產生之估計應課稅溢利以稅率17.5% (二零零六年：17.5%) 計算。

The taxation for other jurisdictions is calculated on the estimated assessable profits at the rates prevailing in the respective jurisdictions.

其他司法權區之稅項乃按估計應課稅溢利以各司法權區之現行稅率計算。

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

年內稅項支出與綜合收益表所列虧損對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss before taxation	除稅前虧損		
Continuing operations	持續經營業務	(39,019)	(61,121)
Discontinued operation	終止經營業務	(318)	(17,475)
		(39,337)	(78,596)
Effect of different tax rates in other jurisdictions	於其他司法權區之不同稅率影響	32	-
Tax at the domestic income tax rate at 17.5% (2006: 17.5%)	按本地所得稅率17.5% (二零零六年：17.5%) 課稅	(6,884)	(13,755)
Expenses not deductible for taxation purposes	不可扣稅之開支	3,278	7,907
Income not subject to taxation	毋須繳稅之收入	(539)	(106)
Tax effect of accelerated tax depreciation not previously recognised	過往未確認之加速稅務折舊之稅務影響	28	(480)
Tax loss not recognised	未確認之稅項虧損	4,165	6,434
Tax charge for the year	本年度稅項支出	80	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

10. Taxation (Continued)

At 31 March 2007, the Group has unprovided deferred tax assets of approximately HK\$19,145,000 (2006 restated: HK\$14,980,000), primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities). The deferred tax assets have not been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

11. Loss Attributable to Equity Holders

The consolidated loss attributable to equity holders of the Company includes a loss of approximately HK\$25,448,000 (2006: HK\$70,137,000) dealt with in the financial statements of the Company.

12. Dividend

No dividend was paid or declared by the Company during the year (2006: HK\$Nil).

13. Loss per Share

(a) Basic loss per share

From continuing and discontinued operations

The basic loss per share is calculated based on (i) the consolidated loss attributable to equity holders of the Company of HK\$32,544,000 (2006: HK\$77,136,000) and on (ii) the weighted average number of 1,307,019,733 ordinary shares (2006: 467,394,970 ordinary shares) in issue during the year.

10. 稅項 (續)

於二零零七年三月三十一日，本集團有未撥備遞延稅項資產約19,145,000港元(二零零六年重列：14,980,000港元)，主要為累計稅項虧損之稅務影響，須待有關稅務當局同意。由於未來溢利流量不可預測，該遞延稅項資產未被確認。該稅項虧損可無限期結轉。

11. 權益持有人應佔虧損

本公司權益持有人應佔綜合虧損包括已在本公司財務報表處理之虧損約25,448,000港元(二零零六年：70,137,000港元)。

12. 股息

年內本公司並無派發或宣派任何股息(二零零六年：零港元)。

13. 每股虧損

(a) 每股基本虧損

來自持續及終止經營業務

每股基本虧損乃根據(i)本公司權益持有人應佔綜合虧損32,544,000港元(二零零六年：77,136,000港元)及(ii)年內已發行普通股加權平均數1,307,019,733股(二零零六年：467,394,970股)計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

13. Loss per Share (Continued)

(a) Basic loss per share (Continued)

From continuing operations

The basic loss per share from continuing operations attributable to the equity holders of the Company is based as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年內虧損	32,544	77,136
Less: Loss for the year from discontinued operation	減：終止經營業務年內虧損	(318)	(17,475)
Loss for the purpose of basic loss per share from continuing operations	用於計算持續經營業務每股基本虧損之虧損	32,226	59,661

The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

From discontinued operation

Basic loss per share for discontinued operation is HK\$0.0002 (2006: HK\$0.0374) which is calculated based on the loss for the year attributable to equity holders of the Company from discontinued operation of HK\$318,000 (2006: HK\$17,475,000). The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

(b) Diluted loss per share

No diluted loss per share is presented for the year ended 31 March 2007 and 2006 as the share options outstanding during these years had no dilutive effect on basic loss per share for these years.

13. 每股虧損 (續)

(a) 每股基本虧損 (續)

來自持續經營業務

本公司權益持有人應佔持續經營業務之每股基本虧損乃根據以下資料計算：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年內虧損	32,544	77,136
Less: Loss for the year from discontinued operation	減：終止經營業務年內虧損	(318)	(17,475)
Loss for the purpose of basic loss per share from continuing operations	用於計算持續經營業務每股基本虧損之虧損	32,226	59,661

所使用分母與上文詳述用於計算持續及終止經營業務每股基本虧損者相同。

來自終止經營業務

終止經營業務之每股基本虧損為0.0002港元(二零零六年：0.0374港元)，乃根據終止經營業務之本公司權益持有人應佔年內虧損318,000港元(二零零六年：17,475,000港元)計算。所使用分母與上文詳述用於計算持續及終止經營業務每股基本虧損者相同。

(b) 每股攤薄虧損

由於截至二零零七年及二零零六年三月三十一日止年度尚未行使之購股權對該等年度之每股基本虧損並無攤薄影響，故並無就該等年度呈列每股攤薄虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

14. Directors' and Senior Management's Remuneration

(a) Directors' remuneration

The remuneration of the directors of the Company (the "Directors") for the year ended 31 March 2007 is set out below:

14. 董事及高級管理人員之薪酬

(a) 董事薪酬

截至二零零七年三月三十一日止年度之本公司董事(「董事」)薪酬載列如下：

		Directors' fees	Basic salaries, allowances and benefits in kind	Equity-settled share-based payments	Retirement benefits schemes contributions	2007 Total
		HK\$'000	基本薪金、津貼及實物利益	股本結算股份付款	退休福利計劃供款	二零零七年總計
		千港元	千港元	千港元	千港元	千港元
Executive Directors		執行董事				
Mr. Yip Chi Chiu	葉志釗先生	-	-	-	-	-
Mr. Lo Wing Yat	盧永逸先生	-	-	-	-	-
Mr. Leung Chung Tak Barry	梁仲德先生	-	-	-	-	-
Mr. Loo Chung Keung Steve	盧重強先生	-	1,180	-	12	1,192
Mr. Chan Wai Ming	陳偉明先生	-	1,130	-	12	1,142
Mr. Sun Yeung Yeung	孫揚陽先生	-	-	-	-	-
Mr. Zu Yuan	祖員先生	6	-	-	-	6
Non-executive Directors		非執行董事				
Mr. Ryoji Furukawa	古川令治先生	-	-	-	-	-
Mr. Chak Chi Man	翟志文先生	-	-	-	-	-
Mr. Ryuichi Tanabe	田辺隆一先生	-	-	-	-	-
Mr. Takehiko Wakayama	若山健彥先生	-	-	-	-	-
Mr. Gouw Kar Yiu Carl	吳家耀先生	-	-	-	-	-
Mr. Tung Tat Chiu Michael	佟達釗先生	38	-	92	-	130
Independent non-executive Directors		獨立非執行董事				
Mr. Chan Yuk Tong	陳育棠先生	22	-	-	-	22
Mr. Pang Chun Sing	彭振聲先生	60	-	-	-	60
Mr. Chan Chun Wai	陳振威先生	60	-	-	-	60
Mr. Sit Fung Shuen Victor	薛鳳旋先生	22	-	-	-	22
Mr. Wong Miu Sung	黃妙送先生	38	-	-	-	38
		246	2,310	92	24	2,672

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

14. Directors' and Senior Management's Remuneration (Continued)

(a) Directors' remuneration (Continued)

The remuneration of the Directors for the year ended 31 March 2006 is set out below:

		Basic salaries, allowances and benefits in kind	Equity-settled share-based payments	Retirement benefits schemes contributions	2006 Total	
	Directors' fees	基本薪金、津貼及實物利益	股本結算股份付款	退休福利計劃供款	二零零六年總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Executive Directors 執行董事						
Mr. Loo Chung Keung Steve	盧重強先生	-	780	-	12	792
Mr. Chan Wai Ming	陳偉明先生	-	780	-	12	792
Mr. Sun Yeung Yeung	孫揚陽先生	-	-	148	-	148
Ms. Tin Yuen Sin Carol	田琬善女士	-	-	-	-	-
Mr. Zu Yuan	祖員先生	18	-	295	-	313
Non-executive Directors 非執行董事						
Mr. Gouw Kar Yiu Carl	吳家耀先生	-	40	-	1	41
Ms. Gouw San Bo Elizabeth	吳珊寶女士	-	5,843	-	5	5,848
Mr. Tung Tat Chiu Michael	佟達釗先生	60	-	36	-	96
Mr. Chak Chi Man	翟志文先生	-	-	-	-	-
Independent non-executive Directors 獨立非執行董事						
Mr. Pang Chun Sing	彭振聲先生	60	-	-	-	60
Mr. Chan Chun Wai	陳振威先生	60	-	-	-	60
Mr. Tsang Pak Chung Eddy	曾百中先生	-	-	-	-	-
Mr. Wong Miu Sung	黃妙送先生	54	-	-	-	54
		252	7,443	479	30	8,204

14. 董事及高級管理人員之薪酬 (續)

(a) 董事薪酬 (續)

截至二零零六年三月三十一日止年度之董事薪酬載列如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

14. Directors' and Senior Management's Remuneration (Continued)

(a) Directors' remuneration (Continued)

The aggregate amounts of emoluments payable to the Directors during the year are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Fees	袍金		
Executive Directors	執行董事	6	18
Non-executive Directors	非執行董事	38	60
Independent non-executive Directors	獨立非執行董事	202	174
		246	252
Other emoluments for Directors	董事其他酬金		
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	2,310	7,443
Equity-settled share-based payments	股本結算股份付款	92	479
Retirement benefits schemes contributions	退休福利計劃供款	24	30
		2,426	7,952
		2,672	8,204

The emoluments of the Directors fell within the following bands:

董事酬金之幅度如下：

		Number of Directors 董事人數	
		2007 二零零七年	2006 二零零六年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	16	12
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	2	–
HK\$5,500,001 – HK\$6,000,000	5,500,001港元至6,000,000港元	–	1

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

14. Directors' and Senior Management's Remuneration (Continued)

(a) Directors' remuneration (Continued)

The above emoluments included the value of share options granted to certain Directors under the Company's share option scheme as estimated at the date of grant. The details are disclosed under the paragraph "Share Option Scheme" in the Directors' report and Note 29.

During the year, no Director waived remuneration and no emoluments of the Directors were incurred as an inducement to join or upon joining the Company or as compensation for loss of office.

(b) Five highest paid individuals

The five highest paid individuals of the Group included two (2006: two) executive Directors, Mr. Loo Chung Keung Steve and Mr. Chan Wai Ming and nil (2006: one) non-executive Director, details of whose emoluments are set out above. The emoluments of the remaining three (2006: two) employees were as follows:

14. 董事及高級管理人員之薪酬 (續)

(a) 董事薪酬 (續)

上述酬金包括於授出日期所估計根據本公司之購股權計劃向若干董事授出之購股權價值。詳情於董事會報告書之「購股權計劃」一段及附註29內披露。

年內，概無董事放棄薪酬，亦無就邀請董事加入本公司或於董事加入本公司後或離職(作為賠償)時付予董事酬金。

(b) 五名最高薪僱員

本集團五名最高薪僱員包括兩名(二零零六年：兩名)執行董事盧重強先生及陳偉明先生及無(二零零六年：一名)非執行董事，有關彼等之酬金詳情載於上文。其餘三名(二零零六年：兩名)僱員之酬金詳情如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	1,111	711
Equity-settled share-based payments	股本結算股份付款	2,898	-
Retirement benefits schemes contributions	退休福利計劃供款	36	9
		4,045	720

The emoluments were within the following bands:

酬金幅度如下：

		Number of Employees 僱員人數	
		2007 二零零七年	2006 二零零六年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	1	2
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	2	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

15. Discontinued Operation

On 14 July 2006, the Group resolved to discontinue the business segment of trading of electronic components. The results for this business segment are presented in the financial statements as a discontinued operation.

An analysis of the results of the discontinued operation is as follows:

15. 終止經營業務

於二零零六年七月十四日，本集團議決終止買賣電子零件之業務分類。該業務分類之業績已於財務報表列為終止經營業務。

終止經營業務之業績分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額	—	13,649
Cost of sales	銷售成本	—	(20,605)
Gross loss	毛損	—	(6,956)
Impairment on trade receivables	貿易應收賬款減值	—	(6,664)
Impairment on property, plant and equipment	物業、廠房及設備減值	—	(3,053)
Administrative expenses	行政支出	(318)	(802)
Loss before taxation	除稅前虧損	(318)	(17,475)
Taxation	稅項	—	—
Loss from discontinued operation	終止經營業務虧損	(318)	(17,475)

The cash flows attributable to the discontinued operation are as follows:

終止經營業務應佔現金流量如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net cash flows from operating activities	來自經營活動之現金流量淨額	12,065	28
Net cash flows from investing activities	來自投資活動之現金流量淨額	80	—
Total cash inflows	現金流入總額	12,145	28

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Leasehold improvements 租賃樓宇裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本					
At 1 April 2005	於二零零五年四月一日	375	4,459	4,718	198	9,750
Additions	添置	573	223	1,004	1,283	3,083
Acquisition of a subsidiary	收購一間附屬公司	850	6,251	72	187	7,360
Disposals	出售	(380)	-	(227)	(198)	(805)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	1,418	10,933	5,567	1,470	19,388
Additions	添置	483	501	1,230	33	2,247
Acquisition of a subsidiary	收購一間附屬公司	-	-	5	-	5
Disposals	出售	-	-	(4,510)	-	(4,510)
At 31 March 2007	於二零零七年三月三十一日	1,901	11,434	2,292	1,503	17,130
Accumulated depreciation and impairment	累計折舊及減值					
At 1 April 2005	於二零零五年四月一日	148	4,459	967	79	5,653
Charge for the year	本年度支出	128	328	596	84	1,136
Impairment	減值	-	-	3,053	-	3,053
Disposals	出售	(205)	-	(100)	(109)	(414)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	71	4,787	4,516	54	9,428
Charge for the year	本年度支出	374	1,423	475	375	2,647
Disposals	出售	-	-	(4,407)	-	(4,407)
At 31 March 2007	於二零零七年三月三十一日	445	6,210	584	429	7,668
Net book value	賬面淨值					
At 31 March 2007	於二零零七年三月三十一日	1,456	5,224	1,708	1,074	9,462
At 31 March 2006	於二零零六年三月三十一日	1,347	6,146	1,051	1,416	9,960

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

17. Goodwill Group

17. 商譽 本集團

		HK\$'000 千港元
Cost		
At 1 April 2005	於二零零五年四月一日	-
Acquisition of a subsidiary	收購一間附屬公司	816
Impairment		
At 1 April 2005	於二零零五年四月一日	-
Impairment loss for the year	本年度減值虧損	-
At 31 March 2006	於二零零六年三月三十一日	-
Impairment loss for the year	本年度減值虧損	-
At 31 March 2007	於二零零七年三月三十一日	-
Carrying value		
At 31 March 2007	於二零零七年三月三十一日	3,990
At 31 March 2006	於二零零六年三月三十一日	816

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

17. Goodwill (Continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the country of operations and business segments.

A segment-level summary of the goodwill allocation is presented below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Manufacturing and trading of automotive components	汽車零件製造與買賣	2,342	816
Securities brokerage	證券經紀	1,648	-
		3,990	816

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below.

Management determined budgeted gross margin and growth rates based on past performance and its expectations of the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The value in use calculated by using the discount rate is higher than the carrying amount of the goodwill allocated to the CGU and accordingly, no impairment loss was necessary.

17. 商譽 (續)

商譽減值測試

商譽乃分配至本集團根據經營所在國家及業務分類識別之現金產生單位。

商譽分配之分類水平概要呈報如下：

現金產生單位之可收回金額按使用價值計算法釐定。有關計算方法涉及按管理層所批准五年財務預算計算所得現金流量預測。五年期以外之現金流量乃使用下文所述之估計增長率推算。

管理層根據過往表現及預期市場發展釐定預算毛利率及增長率。所採用折現率乃未扣稅項，可反映相關業務之具體風險。

以該折現率計算之價值高於分配至現金產生單位之商譽賬面值，因此無必要確認減值虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

17. Goodwill (Continued)

Impairment tests for goodwill (Continued)

Details of the parametres applied are as follows:-

		Manufacturing and trading of automotive components 製造及買賣汽車零件		Securities brokerage 證券經紀	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
Discount rate	折現率	19.3%	25%	17.7%	-
Growth rate beyond the five-year period	五年期間後之增長率	3%-15%	25%	3%-15%	-

17. 商譽 (續)

商譽減值測試 (續)

所採用之參數如下：

18. Interests in Subsidiaries

Company

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本	21	21
Amounts due from subsidiaries	應收附屬公司款項	186,917	126,790
Less: Provision for impairment	減：減值撥備	(160,702)	(126,811)
		26,236	-

18. 附屬公司權益

本公司

The amounts due from subsidiaries are unsecured and no fixed terms of repayment. Included in the amounts due from subsidiaries, HK\$5,000,000 is bearing interest at the prevailing Best Lending Rate and the remaining are interest-free.

The carrying values of the amounts due from subsidiaries are approximate to their fair values.

應收附屬公司款項乃無抵押及無固定還款期。應收附屬公司款項中，5,000,000港元乃按現行最優惠貸款利率計息，餘下款額則為免息。

應收附屬公司款項之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. Interests in Subsidiaries (Continued)

Particulars of the subsidiaries as at 31 March 2007 are as follows:

18. 附屬公司權益(續)

於二零零七年三月三十一日，附屬公司之詳情如下：

Name 名稱	Place of incorporation and operations 註冊成立及 經營地點	Nominal value of issued and fully paid / registered capital 已發行及繳足 股本／註冊 資本面值	Percentage held by the 持股 百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Basland Enterprises Ltd.	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值 1美元之普通股	100%	100%	Investment holding 投資控股
Carico (Hong Kong) Limited 中汽資源(香港)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Investment holding 投資控股
Carico Investment Consulting (Shanghai) Limited (Note a) 嘉峰投資諮詢(上海) 有限公司(附註a)	People's Republic of China 中華人民共和國	US\$99,980 99,980美元	–	100%	Dormant 暫無營業
Carico Logistics Limited 中汽物流有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Logistics 物流
Carico Strategic Investment Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	100%	Dormant 暫無營業
Champion World Investment Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	–	100%	Dormant 暫無營業
China Automotive Resources Limited 中國汽車資源有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	100%	100%	Securities investment 證券投資

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. Interests in Subsidiaries (Continued)

18. 附屬公司權益 (續)

Name 名稱	Place of incorporation and operations 註冊成立及 經營地點	Nominal value of issued and fully paid / registered capital 已發行及繳足 股本/註冊 資本面值	Percentage held by the 持股 百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
China Automotive Resources (Canada) Inc.	Canada 加拿大	CAD1 1加元	–	100%	Dormant 暫無營業
China Automotive Resources (USA) Inc.	United States of America 美國	100 shares common stock of US\$0.01 each 100股每股面值 0.01美元之普通股	–	100%	Dormant 暫無營業
Crown Wealth Development Limited 冠添發展有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值 1港元之普通股	–	100%	Investment holding 投資控股
Full Investment Limited 保豐投資有限公司	Hong Kong 香港	300 ordinary shares of HK\$1 each 300股每股面值 1港元之普通股	–	100%	Dormant 暫無營業
Fullbelief International Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Gorient (Hong Kong) Limited 協里(香港)有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值 1港元之普通股	100%	100%	Investment holding 投資控股
Glory Era Limited 鴻歷有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 1港元之普通股	100%	100%	Cost centre 成本中心

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. Interests in Subsidiaries (Continued)

18. 附屬公司權益 (續)

Name 名稱	Place of incorporation and operations 註冊成立 及經營地點	Nominal value of issued and fully paid / registered capital 已發行及繳足 股本／註冊 資本面值	Percentage held by the 持股 百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Infast Brokerage Limited 進滙證券有限公司	Hong Kong 香港	25,000,000 ordinary shares of HK\$1 each 25,000,000股每股面值 1港元之普通股	–	100%	Provision for securities brokerage services 提供證券經紀服務
Lucky Metro Trading Ltd.	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Prime Year Investments Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	100%	Investment holding 投資控股
Rich Pool Commercial Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Sky Cheer Corporation Limited 天緻有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Production and distribution of TV programmes 電視節目製作及 發行
Sky Era Limited 天歷有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	General trading 一般貿易
Sumrise Limited 晉熙有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Dormant 暫無營業

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. Interests in Subsidiaries (Continued)

18. 附屬公司權益 (續)

Name 名稱	Place of incorporation and operations 註冊成立 及經營地點	Nominal value of issued and fully paid / registered capital 已發行及繳足 股本／註冊 資本面值	Percentage held by the 持股 百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Tianjin Guangying Automotive Mirror Company Limited (Note b) 天津光盈汽車鏡有限公司 (附註b)	People's Republic of China 中華人民共和國	US\$500,000 500,000美元	–	50%	Dormant 暫無營業
Unicla International Limited 尤里克拉國際有限公司	Hong Kong 香港	31,000,000 ordinary shares of HK\$1 each 31,000,000股每股 面值1港元之普通股	–	62.1%	Trading and manufacturing of automotive components 汽車零件買賣 及製造
Unicla International (Japan) Limited	Japan 日本	60 shares of YEN50,000 each 60股每股面值 50,000日圓之股份	–	62.1%	Trading of automotive components 汽車零件買賣
Yinshau Limited 盈濤有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 1港元之普通股	100%	100%	Investment holding 投資控股

Note:

- (a) Carico Investment Consulting (Shanghai) Limited is a wholly foreign owned enterprise under the laws of the People's Republic of China.
- (b) Tianjin Guangying Automotive Mirror Company Limited is a Sino-foreign owned joint venture enterprise under the laws of the People's Republic of China. It has been regarded as a subsidiary and its accounts have been consolidated since in the opinion of the Directors, the Group has the power to govern its financial and operating policies.

附註：

- (a) 嘉峰投資諮詢(上海)有限公司為一間根據中華人民共和國法律成立之外商獨資企業。
- (b) 天津光盈汽車鏡有限公司為根據中華人民共和國法律成立之中外合資合營企業。由於董事認為，本集團有權力監管其財務及經營政策，故該公司被視作附屬公司，而其賬目已綜合計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

19. Interests in Associates Group

19. 聯營公司權益 本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Share of net liabilities	應佔負債淨值	-	(3,080)
Unamortised goodwill on acquisition	收購時未攤銷商譽	25,479	25,479
Impairment on goodwill (Note a)	商譽減值(附註a)	(25,479)	(25,479)
		-	(3,080)
Loans to associates (Note b)	給予聯營公司貸款(附註b)	9,890	9,890
Less: Impairment on loans to associates	減：給予聯營公司貸款之減值	(9,890)	(6,417)
		-	3,473
		-	393

Note:

- (a) The goodwill arising from acquisition of associates are fully impaired during the year ended 31 March 2006.
- (b) The loans to associates are unsecured, interest free and have no fixed terms for repayment. In the opinion of the Directors, the carrying value of the loans to associates approximate to their fair value at the balance sheet date.
- (c) The summarised financial information in respect of the Group's associates for the year ended 31 March 2007 is set out below:

附註：

- (a) 截至二零零六年三月三十一日止年度，因收購聯營公司產生之商譽已悉數減值。
- (b) 給予聯營公司貸款為無抵押、免息及無固定還款期。董事認為，給予聯營公司貸款之賬面值與其於結算日之公平值相若。
- (c) 下文載列本集團聯營公司截至二零零七年三月三十一日止年度之財務資料概要：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	1,456	4,945
Total liabilities	負債總額	(11,478)	(10,586)
Revenue	收益	3,433	14,574
Loss for the year	本年度虧損	(6,393)	(4,722)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

19. Interests in Associates

Details of the associates are as follows:

Name of company 名稱	Place of incorporation and operations 註冊成立 及經營地點	Percentage of equity shares held by the Group 本集團所持 權益股份之百分比	Principal activities 主要業務
Intelligent Transport System Holdings Limited *	British Virgin Islands 英屬維爾京群島	50%	Investment holding 投資控股
ITS Car Alarm Limited * 鷹眼汽車防盜有限公司 *	Hong Kong 香港	50%	Trading of motor car alarm systems 汽車警報系統買賣
Intelligent Transport System (Telematics) Limited * 鷹眼科技(遠傳)有限公司 *	Hong Kong 香港	50%	Dormant 暫無營業
Intelligent Transport System Asia Limited *	British Virgin Islands 英屬維爾京群島	50%	Dormant 暫無營業
Wide and Bright Limited *	British Virgin Islands 英屬維爾京群島	30%	Dormant 暫無營業

* Not audited by CCIF CPA Limited

19. 聯營公司權益

聯營公司之詳情如下：

* 未經陳葉馮會計師事務所有限公司審核

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

20. Available-For-Sale Financial Assets Group

20. 可供出售金融資產 本集團

		Note	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
Unlisted Investments in securities,	未上市證券投資			
At cost less impairment loss	按成本減減值虧損	(a)	—	—
At fair value	按公平值	(b)	15,918	—
			15,918	—

Note:

- (a) The equity securities issued by private entities are measured at cost less impairment at each balance sheet date. The Directors consider that information to be applied in the valuation technique cannot be reliably obtained on a continuous basis. The fair values of these unlisted equity securities cannot be reliably measured.

During the year, the Directors reviewed the carrying amount of unlisted available-for-sale financial assets with reference to their business performance and the profit projection.

- (b) The fair values of unlisted securities are based either (1) on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted securities, or (2) market approach for the valuation methodology, which uses the information of the public markets of share of other compatible companies in the same and similar line of business.

附註：

- (a) 由私人實體發行之股本證券於各結算日按成本減減值計量。董事認為，採納估值法之資料無法持續可靠獲得。該等未上市股本證券之公平值無法可靠地計量。

年內，董事參照其商業表現及溢利預測審閱未上市可供出售金融資產之賬面值。

- (b) 未上市證券之公平值乃根據以下其中一項計算：
(1)按基於市場利率及未上市證券之持有風險溢價之折現率折現之現金流量；或(2)市場估值方法，該方法採用公開市場上其他從事相同及類似業務之同類公司之股份資料。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

21. Inventories Group

21. 存貨 本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Raw materials	原料	4,688	5,607
Work in progress	在製品	2,068	-
Finished goods	製成品	1,731	4,432
		8,487	10,039

22. Amounts due from Related Companies

The amounts due from related companies are unsecured, interest free and have no fixed terms for repayment.

22. 應收關連公司款項

應收關連公司款項乃無抵押、免息及無固定償還期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

23. Trade and Other Receivables

23. 貿易及其他應收賬款

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables	應收貿易賬款	12,345	13,856	-	-
Advances to suppliers	墊付供應商款項	-	64	-	-
Other receivables	其他應收賬款	2,619	12,214	175	14
		14,964	26,134	175	14

Included in the balances are trade receivables with an aged analysis as follows:

計入結餘之應收貿易賬款之賬齡分析如下：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 3 months (Note)	三個月內(附註)	11,619	1,786	-	-
4 to 6 months	四至六個月	573	-	-	-
Over 6 months	六個月以上	153	12,070	-	-
		12,345	13,856	-	-

Note:

Included an amount of HK\$6,751,000 (2006: HK\$Nil) attributable to securities brokerage business with settlement terms at two days after the trade date.

附註：

已計入證券經紀業務應佔款項6,751,000港元(二零零六年：零港元)，結算期為交易日後兩日。

Trading terms with customers are either on a cash basis or credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management.

與客戶之貿易條款為現金或信貸形式。對於以信貸形式進行貿易之客戶，本集團會根據有關業務慣例給予信貸期，並為客戶設定信貸限額。本集團對於未償還之應收賬款進行嚴格監控，以減低信貸風險。逾期之結欠均由高級管理人員定期檢討。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

23. Trade and Other Receivables (Continued)

Except for receivables from securities brokerage business which are bearing interest at the prevailing Best Lending Rate plus 5% per annum, the balances of trade receivables are non-interest bearing. The carrying amounts of receivables are approximate to their fair values.

24. Cash and Bank Balances

23. 貿易及其他應收賬款 (續)

除證券經紀業務之應收賬款按當時最優惠貸款年利率加5厘計息外，應收貿易賬款結餘概不計息。應收賬款之賬面值與其公平值相若。

24. 現金及銀行結餘

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	16,986	17,443	2,960	10,243
Short-term bank deposits	短期銀行存款	91,370	15,100	84,058	15,100
		108,356	32,543	87,018	25,343

One of the subsidiaries maintains trust bank accounts with an authorised institution in the normal course of business transactions. As at 31 March 2007, trust bank balances not dealt with in these financial statements amounted to HK\$3,346,000 (2006: HK\$Nil).

The effective interest rate on short-term bank deposits ranged from 2.30% to 4.24% (2006:4%); these deposits have an average maturity of less than 14 days (2006: 7 days).

其中一間附屬公司於日常業務交易過程中在一家認可機構開立了信託銀行賬戶。於二零零七年三月三十一日，並無於此等財務報表中處理之信託銀行結餘為3,346,000港元(二零零六年：零港元)。

短期銀行存款之實際利率範圍為2.30厘至4.24厘(二零零六年：4厘)，該等存款之平均到期日為少於14日(二零零六年：7日)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

25. Trade and Other Payables

25. 貿易及其他應付賬款

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade payables	應付貿易賬款	8,487	193	—	—
Other payables and accruals	其他應付賬款及應計費用	2,323	4,859	566	576
		10,810	5,052	566	576

Included in the balances are trade payables with an aged analysis as follows:

計入結餘之應付貿易賬款之賬齡分析如下：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 3 months (Note)	三個月內(附註)	8,368	193	—	—
Over 6 months	六個月以上	119	—	—	—
		8,487	193	—	—

Note:

Included an amount of HK\$6,793,000 (2006: HK\$ Nil) attributable to securities brokerage business with settlement terms at two days after the trade date.

附註：

已計入證券經紀業務應佔款項6,793,000港元(二零零六年：零港元)，結算期為交易日後兩日。

Except for certain client payables in respect of the Group's securities brokerage business are interest-bearing at rates approximate to prevailing market saving rates, the balances of trade payables are non-interest bearing. The carrying amounts of the payables are approximate to their fair values.

除若干有關本集團證券經紀業務之應付客戶款項按貼近現行市場存款利率之息率計息外，應付貿易賬款結餘概不計息。應付賬款之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. Share Capital

26. 股本

	Note 附註	2007 二零零七年		2006 二零零六年	
		No. of shares 股份數目 '000 千股	HK\$'000 千港元	No. of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:					
法定股本：					
At the beginning of year					
Ordinary shares of HK\$0.01 each		50,000,000	500,000	50,000,000	500,000
Consolidation of every 10 shares into 1 share	(a)	-	-	(45,000,000)	(450,000)
		50,000,000	500,000	5,000,000	50,000
Cancellation of unissued shares	(b)	-	-	(4,792,782)	(47,927)
Increase in authorised share capital	(c)	-	-	49,792,782	497,927
At the end of year					
Ordinary shares of HK\$0.01 each		50,000,000	500,000	50,000,000	500,000
Issued and fully paid:					
已發行及繳足股本：					
At the beginning of year					
Ordinary shares of HK\$0.01 each		828,871	8,289	1,727,177	17,272
Issue of new shares pursuant to share placements		-	-	345,000	3,450
Consolidation of every 10 shares into 1 share		-	-	(1,864,959)	-
Capital reduction	(b)	-	-	-	(18,650)
Issue of new shares pursuant to open offer	(d)	829,551	8,295	621,653	6,217
Exercise of share options	(e)	55,453	555	-	-
At the end of year					
Ordinary shares of HK\$0.01 each		1,713,875	17,139	828,871	8,289

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. Share Capital (Continued)

Note:

(a) Share consolidation

By a resolution passed at the special general meeting of the Company held on 23 September 2005, the authorised and issued share capital of the Company had been consolidated for every ten ordinary shares of HK\$0.01 each into one ordinary share of HK\$0.1 each ("Consolidated Share").

(b) Capital reorganisation

At the special general meeting of the Company held on 23 September 2005, it was approved that with effect from 26 September 2005:

- (i) the nominal value of the Consolidated Shares in issue was reduced from HK\$0.10 each to HK\$0.01 each by canceling the issued share capital to the extent of HK\$0.09 paid up on each of the issued Consolidated Shares ("Capital Reduction");
- (ii) all the authorised but unissued share capital of the Company was cancelled and subsequently the authorised share capital was increased to the original authorised share capital of HK\$500,000,000 by the creation of such number of the new shares of HK\$0.01 each taking into account the number of issued new shares ranking pari passu with the then existing shares of the Company;
- (iii) credit arising from the Capital Reduction was entirely transferred to the contributed surplus account of the Company;
- (iv) the entire amount standing to the credit of the share premium account of the Company as at 31 March 2005 was cancelled ("Share Premium Reduction") and the credit arising from the Share Premium Reduction was entirely transferred to the contributed surplus account of the Company; and
- (v) an amount equivalent to the amount of the accumulated losses of the Company as at 31 March 2005 was applied from the contributed surplus account against such accumulated losses in full.

(c) Increase in authorised share capital

On 26 September 2005, the Company's authorised share capital was increased to HK\$500,000,000 by the creation of additional 49,792,782,284 ordinary shares of HK\$0.01 each, ranking pari passu with the then existing shares of the Company.

26. 股本 (續)

附註：

(a) 股份合併

根據於二零零五年九月二十三日舉行之本公司股東特別大會通過之決議案，本公司之法定及已發行股本由每10股每股面值0.01港元之普通股合併為每股面值0.1港元之普通股（「合併股份」）。

(b) 股本重組

於二零零五年九月二十三日舉行之本公司股東特別大會上，批准自二零零五年九月二十六日起：

- (i) 註銷每股已發行合併股份之繳足已發行股本0.09港元，使已發行合併股份之面值由每股0.10港元削減至0.01港元（「削減股本」）；
- (ii) 註銷本公司所有法定但未發行之股本，並於其後藉增設在各方面與本公司當時現有股份享有同等權益之每股面值0.01港元新股份，將法定股本增至原法定股本500,000,000港元，而增設新股份之數目經計入已發行之新股數目；
- (iii) 削減股本產生之進賬全部轉至本公司之繳入盈餘賬；
- (iv) 註銷本公司於二零零五年三月三十一日股份溢價賬之全部進賬（「削減股份溢價」），而削減股份溢價所產生之進賬全部轉至本公司之繳入盈餘賬；及
- (v) 動用繳入盈餘賬中相等於本公司於二零零五年三月三十一日之累計虧損金額之數額，以悉數抵銷該累計虧損。

(c) 增加法定股本

於二零零五年九月二十六日，藉額外發行在各方面與本公司當時現有股份享有同等權益之49,792,782,284股每股面值0.01港元之普通股，將本公司之法定股本增至500,000,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. Share Capital (Continued)

Note: (Continued)

(d) Subscriptions of new shares

On 13 June 2005, the Company issued 345,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.04 per share to not less than six independent investors.

On 25 October 2005, the Company issued 621,653,148 ordinary shares of HK\$0.01 each at the subscription price of HK\$0.10 per share pursuant to the open offer on the basis of three offer shares for every adjusted share held on 3 October 2005.

On 13 September 2006, the Company issued 829,550,864 ordinary shares of HK\$0.01 each at the subscription price of HK\$0.12 per share pursuant to the open offer on the basis of one offer share for every share held on 23 August 2006.

All the new ordinary shares issued during the year ranked pari passu in all respects with the then existing ordinary shares of the Company.

(e) Exercise of share options

During the year, options to subscribe for 55,453,432 ordinary shares were exercised. The net consideration was HK\$6,378,316 of which HK\$554,534 was credited to share capital account and the balance of HK\$5,823,782 was credited to the share premium account. HK\$1,980,000 was transferred from share option reserve account to share premium account.

All the new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the Company.

26. 股本 (續)

附註：(續)

(d) 認購新股

於二零零五年六月十三日，本公司按每股0.04港元之價格向不少於六名獨立投資者發行345,000,000股每股面值0.01港元之普通股。

於二零零五年十月二十五日，本公司根據公開發售按於二零零五年十月三日每持有一股經調整股份獲發三股發售股份之基準，以認購價每股0.10港元發行621,653,148股每股面值0.01港元之普通股。

於二零零六年九月十三日，本公司根據公開發售按於二零零六年八月二十三日每持有一股股份獲發一股發售股份之基準，以認購價每股0.12港元發行829,550,864股每股面值0.01港元之普通股。

年內發行之所有新普通股在各方面與本公司當時現有普通股享有同等權益。

(e) 行使購股權

年內，認購55,453,432股普通股之購股權已獲行使。代價淨額為6,378,316港元，其中554,534港元已計入股本賬內，而餘額5,823,782港元計入股份溢價賬內。1,980,000港元由購股權儲備賬撥入股份溢價賬內。

所有於年內發行之新普通股在各方面與本公司現有普通股享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

27. Reserves Group

27. 儲備 本集團

		Share premium	Exchange reserve	Contributed surplus	Capital redemption reserve	Enterprises development reserve	Share option reserve	Accumulated losses	Total
		股份溢價	滙兌儲備	繳入盈餘	資本贖回儲備	企業發展儲備	購股權儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2005	於二零零五年四月一日	22,435	235	58,685	1,868	803	-	(38,195)	45,831
Capital reduction	削減股本	-	-	18,650	-	-	-	-	18,650
Cancellation of share premium	註銷股份溢價	(22,435)	-	22,435	-	-	-	-	-
Transfers	轉讓	-	-	(84,264)	-	-	-	84,264	-
Issue of new shares	發行新股份	66,299	-	-	-	-	-	-	66,299
Issue of share options	發行購股權	-	-	-	-	-	2,956	-	2,956
Exchange difference on translation of the financial statements of foreign subsidiaries	折算海外附屬公司財務報表時產生之滙兌差額	-	6	-	-	-	-	-	6
Loss for the year	年內虧損	-	-	-	-	-	-	(77,136)	(77,136)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及二零零六年四月一日	66,299	241	15,506	1,868	803	2,956	(31,067)	56,606
Issue of new shares	發行新股份	91,250	-	-	-	-	-	-	91,250
Proceeds from shares issued upon exercise of share options	行使購股權時發行股份之所得款項	5,824	-	-	-	-	-	-	5,824
Exercise of share options	行使購股權	1,980	-	-	-	-	(1,980)	-	-
Issue of share options	發行購股權	-	-	-	-	-	7,606	-	7,606
Exchange difference on translation of the financial statements of foreign subsidiaries	折算海外附屬公司財務報表時產生之滙兌差額	-	13	-	-	-	-	-	13
Loss for the year	年內虧損	-	-	-	-	-	-	(32,544)	(32,544)
At 31 March 2007	於二零零七年三月三十一日	165,353	254	15,506	1,868	803	8,582	(63,611)	128,755

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

27. Reserves (Continued) Company

27. 儲備 (續) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	22,435	58,685	1,868	-	(84,264)	(1,276)
Capital reduction	削減股本	-	18,650	-	-	-	18,650
Cancellation of share premium	註銷股份溢價	(22,435)	22,435	-	-	-	-
Transfers	轉讓	-	(84,264)	-	-	84,264	-
Issue of new shares	發行新股份	66,299	-	-	-	-	66,299
Issue of share options	發行購股權	-	-	-	2,956	-	2,956
Loss for the year	年內虧損	-	-	-	-	(70,137)	(70,137)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	66,299	15,506	1,868	2,956	(70,137)	16,492
Issue of new shares	發行新股份	91,250	-	-	-	-	91,250
Proceeds from shares issued upon exercise of share options	行使購股權時 發行股份之 所得款項	5,824	-	-	-	-	5,824
Exercise of share options	行使購股權	1,980	-	-	(1,980)	-	-
Issue of share options	發行購股權	-	-	-	7,606	-	7,606
Loss for the year	年內虧損	-	-	-	-	(25,448)	(25,448)
At 31 March 2007	於二零零七年三月三十一日	165,353	15,506	1,868	8,582	(95,585)	95,724

The Company has no reserves available for distribution as at 31 March 2007 (2006: HK\$Nil).

本公司於二零零七年三月三十一日並無可供分派之儲備(二零零六年：零港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

28. Notes to Consolidated Cash Flow Statement

(a) Disposal of subsidiaries

During the year, the Group disposed of subsidiaries with net liabilities amounted to HK\$5,000 (2006: HK\$45,000) which give rise to the gain on disposal of subsidiaries of HK\$5,000 (2006: HK\$45,000).

(b) Acquisition of subsidiaries

(i) On 7 June 2006, the Group completed the acquisition of the entire issued share capital of Infast Brokerage Limited ("Infast"), a company that was engaged in the provision of securities brokerage services, for a cash consideration of approximately HK\$9,193,000, which gave rise to a goodwill amounted to approximately HK\$1,648,000. The goodwill arising on the acquisition of Infast is attributable to the anticipated profitability of the securities brokerage business.

The acquired business contributed revenue of HK\$1,247,000 and net loss of HK\$2,396,000 to the Group for period from acquisition to 31 March 2007.

If the acquisition had occurred on 1 April 2006, the acquired business would contribute revenue of HK\$1,537,000 and net loss of HK\$2,717,000 to the Group. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2006, nor is it intended to be a projection of future results.

(ii) On 28 July 2005, the Group subscribed for 30% of the issued share capital of Unicla International Limited ("UIL"), which was accounted for as interest in an associate using equity method during the period from 28 July 2005 to 14 December 2005. On 15 December 2005, additional 23% of the issued share capital of UIL was acquired. UIL has been consolidated as a subsidiary of the Group when control was acquired effectively on 15 December 2005. UIL contributed turnover of HK\$757,000 and a loss after tax of HK\$3,106,000 to the Group since the date of acquisition of its control up to 31 March 2006.

On 4 January 2007, the Group subscribed for 6,000,000 shares of UIL at the consideration of HK\$6,000,000 which increased the shareholding to 62.1% and a goodwill has arose of approximately HK\$1,526,000. The recognition of goodwill from UIL is attributable to the anticipated profitability of the automotive business with its brand name "Unicla".

28. 綜合現金流量表附註

(a) 出售附屬公司

年內，本集團出售附屬公司負債淨值達5,000港元(二零零六年：45,000港元)，產生出售附屬公司之收益5,000港元(二零零六年：45,000港元)。

(b) 收購附屬公司

(i) 於二零零六年六月七日，本集團完成收購進滙證券有限公司(「進滙」，為一間提供證券經紀服務之公司)全部已發行股本，現金代價約9,193,000港元，產生之商譽約為1,648,000港元。因收購進滙而產生之商譽乃源自證券經紀業務之預期盈利能力。

該收購業務於收購以後直至二零零七年三月三十一日期間為本集團帶來收益1,247,000港元及虧損淨額2,396,000港元。

倘若該收購於二零零六年四月一日發生，該收購業務可為本集團帶來收益1,537,000港元及虧損淨額2,717,000港元。備考資料僅作說明之用，並非倘若該收購於二零零六年四月一日完成，本集團實際可獲得之收益及業績之指標，亦非有意對未來業績之預測。

(ii) 於二零零五年七月二十八日，本集團認購尤里克拉國際有限公司(「尤里克拉國際」)已發行股本30%，此項認購於二零零五年七月二十八日至二零零五年十二月十四日期間以權益法按一間聯營公司之權益列賬。於二零零五年十二月十五日，本集團額外收購尤里克拉國際已發行股本23%。尤里克拉國際已於二零零五年十二月十五日實際收購控制權時合併為本集團附屬公司。自收購控制權之日直至二零零六年三月三十一日，尤里克拉國際為本集團帶來營業額757,000港元及除稅後虧損3,106,000港元。

於二零零七年一月四日，本集團認購尤里克拉國際6,000,000股股份，作價6,000,000港元，將其持股百分比增至62.1%，而商譽則增加約1,526,000港元。確認來自尤里克拉國際之商譽乃源自汽車業務(「尤里克拉」為其品牌)之預期盈利能力。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

28. Notes to Consolidated Cash Flow Statement (Continued)

(b) Acquisition of subsidiaries (Continued)

28. 綜合現金流量表附註 (續)

(b) 收購附屬公司 (續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The carrying amounts and fair values of net assets acquired:	收購之淨資產賬面值及公平值：		
Property, plant and equipment	物業、廠房及設備	5	7,360
Other operating assets	其他經營資產	205	—
Trade and other receivables	貿易及其他應收賬款	1,776	1,881
Inventories	存貨	—	10,155
Intangible assets	無形資產	—	55
Cash and bank balances	現金及銀行結餘	6,814	3,411
Trade and other payables	貿易及其他應付賬款	(1,255)	(1,405)
Minority interests	少數股東權益	—	(10,085)
Goodwill on acquisition	收購產生之商譽	1,648	816
		9,193	12,188
Satisfied by:	支付方式：		
Cash considerations	現金代價	9,193	13,250
Share of equity results before taking control	於取得控制權前應佔股本	—	(1,062)
		9,193	12,188
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash considerations paid	已付現金代價	(9,193)	(13,250)
Cash and bank balances acquired	收購之現金及銀行結餘	6,814	3,411
		(2,379)	(9,839)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

29. Share Option Scheme

On 30 March 2004, a share option scheme (as amended by the addendum adopted by the Company on 7 December 2005) (the "Scheme") was approved and adopted by the shareholders of the Company (the "Shareholders") for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group, which will be effective for ten years until 29 March 2014.

Pursuant to the Scheme, the board of Directors (the "Board") may at any time within ten years from the adoption date, offer any eligible participant (including any executive director of the Company or any of its subsidiaries) options to subscribe for shares in the Company (the "Shares") at a price not less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for trades in one or more board lots of shares on the offer date;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (c) the nominal value of the Shares on the date of grant.

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and not yet exercised under the Scheme and any other share option scheme of the Group shall not exceed 30% of the share capital of the Company in issue from time to time. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme. The maximum entitlement of each participant in any twelve month period under the Scheme shall not exceed 1% of the issued share capital of the Company for the time being.

Each grant of options to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors. In addition, any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issuable upon exercise of all options granted and to be granted to such person in the twelve month period up to and including the date of such grant in aggregate over 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares quoted on the Stock Exchange on the date of each grant) in excess of HK\$5 million, such further grant of options must be approved by the Shareholders in general meeting.

29. 購股權計劃

於二零零四年三月三十日，本公司股東（「股東」）批准採納一項購股權計劃（「該計劃」），經本公司於二零零五年十二月七日採納附錄修訂，使本集團可授予選定參與人購股權，以獎勵或嘉許彼等為本集團作出貢獻。該計劃將於截至二零一四年三月二十九日止十年期間有效。

根據該計劃，董事會（「董事會」）可於採納日期起十年內任何時間向任何合資格參與人（包括本公司或其任何附屬公司之任何執行董事）授出購股權，以按不少於下列最高者之價格認購本公司股份（「股份」）：

- (a) 股份於建議授出購股權日期在聯交所每日報價表所報買賣一手或多手股份之收市價；
- (b) 股份於緊接建議授出購股權日期前五個營業日在聯交所每日報價表所報之平均收市價；及
- (c) 股份於購股權授出日期之面值。

因行使根據該計劃及本集團任何其他購股權計劃已授出但未行使之所有未行使購股權而可能配發及發行之最高股份數目，不得超過本公司不時已發行股本之30%。因行使根據該計劃及本集團任何其他購股權計劃將授出之所有購股權而可能配發及發行之股份總數，合共不得超過批准該計劃當日已發行股份之10%。根據該計劃每位參與者於任何十二個月期間之最大獲授額不得超過當時本公司已發行股本之1%。

每次向本公司任何董事、主要行政人員或主要股東或彼等之任何聯繫人授出購股權須經獨立非執行董事批准。此外，倘向主要股東或獨立非執行董事或彼等各自之任何聯繫人授出任何購股權，將導致因行使該名人士於截至該等購股權授出日期（包括該日）止十二個月期間獲授及將獲授之所有購股權而可予發行之股份合計超過已發行股份之0.1%，且其總值（按於購股權授出日期股份在聯交所所報之收市價計算）超過5,000,000港元，則該進一步授出購股權須經股東在股東大會上批准後方可作實。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

29. Share Option Scheme (Continued)

Options granted must be taken up within 21 days from the date of grant, upon payment of the consideration of HK\$1 per each grant of option. The exercise period of the options is determinable by the Directors, and shall expire not later than ten years from the date of grant. The Scheme does not specify the requirement as to minimum period for which an option must be held.

Details of the options and movements in such holdings during the year ended 31 March 2007 are as follows:

Category of participants	Date of grant	As at 1 April 2006	Effect of Open Offer (Note a)	Reclassified during the year (Note b)	Granted during the year (Note c)	Exercised during the year	Lapsed during the year	As at 31 March 2007	Exercise period	Exercise price HK\$ (Note a)
參與者類別	授出日期	於二零零六年四月一日	公開發售之影響 (附註a)	於年內重新分類 (附註b)	於年內授出 (附註c)	於年內行使	於年內失效	於二零零七年三月三十一日	行使期	港元 (附註a)
Directors 董事	21 / 12 / 2005 二零零五年十二月二十一日	13,420,000	1,535,129	(14,955,129)	-	-	-	-	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零一五年十二月二十日	0.11486
	20 / 10 / 2006 二零零六年十月二十日	-	-	(1,000,000)	1,000,000	-	-	-	20 / 10 / 2006 - 19 / 10 / 2016 二零零六年十月二十日至 二零一六年十月十九日	0.242
Employees 僱員	21 / 12 / 2005 二零零五年十二月二十一日	23,040,000	2,557,785	-	-	(24,771,955) (Note d) (附註d)	(334,317)	491,513	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零一五年十二月二十日	0.11486
	20 / 10 / 2006 二零零六年十月二十日	-	-	-	61,080,000	-	(800,000)	60,280,000	20 / 10 / 2006 - 19 / 10 / 2016 二零零六年十月二十日至 二零一六年十月十九日	0.242
Suppliers 供應商	21 / 12 / 2005 二零零五年十二月二十一日	21,500,000	2,459,410	-	-	-	-	23,959,410	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零一五年十二月二十日	0.11486
	20 / 10 / 2006 二零零六年十月二十日	-	-	-	7,360,000	-	-	7,360,000	20 / 10 / 2006 - 19 / 10 / 2016 二零零六年十月二十日至 二零一六年十月十九日	0.242
Others 其他	15 / 04 / 2004 - 23 / 08 / 2004 二零零四年四月十五日至 二零零四年八月二十三日	4,936,615	-	-	-	-	(4,936,615)	-	15 / 04 / 2004 - 22 / 06 / 2014 二零零四年四月十五日至 二零一四年六月二十二日	0.7-0.73
	24 / 08 / 2004 - 31 / 12 / 2004 二零零四年八月二十四日至 二零零四年十二月三十一日	1,527,795	-	-	-	-	(1,527,795)	-	24 / 08 / 2004 - 24 / 06 / 2014 二零零四年八月二十四日至 二零一四年六月二十四日	0.54
	21 / 12 / 2005 二零零五年十二月二十一日	24,840,000	2,841,477	14,955,129	-	(30,681,477)	-	11,955,129	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零一五年十二月二十日	0.11486
	20 / 10 / 2006 二零零六年十月二十日	-	-	1,000,000	13,500,000	-	-	14,500,000	20 / 10 / 2006 - 19 / 10 / 2016 二零零六年十月二十日至 二零一六年十月十九日	0.242
		89,264,410	9,393,801	-	82,940,000	(55,453,432)	(7,598,727)	118,546,052		

29. 購股權計劃 (續)

所授購股權須於授出日期起二十一內接納，接納時就授出之每份購股權支付代價1港元。購股權行使期由董事釐定，並將不會遲於授出日期起十年後屆滿。該計劃並無規定購股權所須持有之最短期限。

截至二零零七年三月三十一日止年度，購股權及購股權持有情況變動之詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

29. Share Option Scheme (Continued)

Details of the options and movements in such holdings during the year ended 31 March 2006 are as follows:

29. 購股權計劃 (續)

截至二零零六年三月三十一日止年度，購股權及購股權持有情況變動之詳情如下：

Category of participants 參與者類別	Date of grant 授出日期	Effect of consolidation		Effect of Open Offer 公開發售之影響	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	As at 31 March 2006 於二零零六年三月三十一日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
		As at 1 April 2005 於二零零五年四月一日	of shares (Note h) 合併股份之影響 (附註h)							
Directors 董事	21 / 12 / 2005 二零零五年十二月二十一日	-	-	-	13,420,000	-	-	13,420,000	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零零五年十二月二十日	0.128
Employees 僱員	21 / 12 / 2005 二零零五年十二月二十一日	-	-	-	23,040,000	-	-	23,040,000	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零零五年十二月二十日	0.128
Suppliers 供應商	21 / 12 / 2005 二零零五年十二月二十一日	-	-	-	21,500,000	-	-	21,500,000	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零零五年十二月二十日	0.128
Others 其他	15 / 04 / 2004 - 23 / 08 / 2004 二零零四年四月十五日至 二零零四年八月二十三日	34,380,000	(30,942,000)	1,498,615	-	-	-	4,936,615	15 / 04 / 2004 - 22 / 06 / 2014 二零零四年四月十五日至 二零零四年六月二十二日	0.7-0.73
	24 / 08 / 2004 - 31 / 12 / 2004 二零零四年八月二十四日至 二零零四年十二月三十一日	10,640,000	(9,576,000)	463,795	-	-	-	1,527,795	24 / 08 / 2004 - 24 / 06 / 2014 二零零四年八月二十四日至 二零零四年六月二十四日	0.54
	21 / 12 / 2005 二零零五年十二月二十一日	-	-	-	24,840,000	-	-	24,840,000	21 / 12 / 2005 - 20 / 12 / 2015 二零零五年十二月二十一日至 二零零五年十二月二十日	0.128
		45,020,000	(40,518,000)	1,962,410	82,800,000	-	-	89,264,410		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

29. Share Option Scheme (Continued)

Notes:

- (a) The Company implemented an open offer of new Shares on the basis of one offer share for every share held on record date (the "Open Offer") in August 2006. Adjustment was made on 12 September 2006 to the exercise price from HK\$0.128 to HK\$0.11486 and to the number of options by increasing option to subscribe for 9,393,801 Shares (the "Adjustment") upon completion of the Open Offer.
- (b) The details of the reclassification of the option to subscribe for 14,955,129 Shares and 1,000,000 Shares, totally option to subscribe for 15,955,129 Shares from Directors to Others are shown as follows:
- (i) Option to subscribe for 9,227,159 Shares (after Adjustment) was granted to Mr. Zu Yuan, a former executive Director on 21 December 2005. Mr. Zu resigned as an executive Director on 9 May 2006 but remained as a director of a subsidiary of the Company. His option to subscribe for Shares was categorised as "Others" from 9 May 2006.
- (ii) Options to subscribe for 1,114,391 Shares (after Adjustment) and 1,000,000 Shares were granted to Mr. Tung Tat Chiu Michael, a former non-executive Director on 21 December 2005 and 20 October 2006 respectively. Mr. Tung resigned as a non-executive Director on 22 November 2006. The exercise period of his options extended for 12 months upon Board approval. His options to subscribe for Shares were categorised as "Others" from 22 November 2006.
- (iii) Option to subscribe for 4,613,579 Shares (after Adjustment) was granted to Mr. Sun Yeung Yeung, a former executive Director on 21 December 2005. Mr. Sun resigned as an executive Director on 27 November 2006. The exercise period of his option extended for 12 months upon Board approval. His option to subscribe for Shares was categorised as "Other" from 27 November 2006. Mr. Sun exercised the option to subscribe for 3,000,000 Shares during the year ended 31 March 2007.
- (c) Options to subscribe for 82,940,000 Shares were granted on 20 October 2006. The closing price of the Shares immediate before the date on which the options were granted was HK\$0.246.
- (d) Options to subscribe for 24,771,955 Shares were exercised by the employees, of which options to subscribe for 680,000 Shares were exercised before the Adjustment. Therefore, there is no effect of Open Offer in respect of the options to subscribe for 680,000 Shares. The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$0.240.
- (e) There is no vesting period for the options.
- (f) No options were cancelled during the year ended 31 March 2007 (2006: Nil).

29. 購股權計劃 (續)

附註：

- (a) 於二零零六年八月，本公司以公開發售方式發行新股，基準為於記錄日期每持有一股股份可獲發一股發售股份（「公開發售」）。於完成公開發售後，於二零零六年九月十二日，行使價由0.128港元調整至0.11486港元，而購股權數目亦有所增加以額外認購9,393,801股股份（「調整」）。
- (b) 將認購14,955,129股股份及1,000,000股股份，即合共認購15,955,129股股份之購股權由董事重新分類至其他之詳情如下：
- (i) 於二零零五年十二月二十一日，前執行董事祖員先生獲授認購9,227,159股股份（調整後）之購股權。祖先生已於二零零六年五月九日辭任執行董事，但留任為本公司一間附屬公司之董事。其認購股份之購股權自二零零六年五月九日起歸類為「其他」。
- (ii) 於二零零五年十二月二十一日及二零零六年十月二十日，前非執行董事佟達釗先生分別獲授認購1,114,391股股份（調整後）及1,000,000股股份之購股權。佟先生已於二零零六年十一月二十二日辭任非執行董事。於獲得董事會批准後，其購股權行使期延長十二個月。其認購股份之購股權自二零零六年十一月二十二日起歸類為「其他」。
- (iii) 於二零零五年十二月二十一日，前執行董事孫揚陽先生獲授認購4,613,579股股份（調整後）之購股權。孫先生已於二零零六年十一月二十七日辭任執行董事。於獲得董事會批准後，其購股權行使期延長十二個月。其認購股份之購股權自二零零六年十一月二十七日起歸類為「其他」。孫先生於截至二零零七年三月三十一日止年度行使認購3,000,000股股份之購股權。
- (c) 於二零零六年十月二十日授出認購82,940,000股股份之購股權。緊接購股權授出日期前之股份收市價為0.246港元。
- (d) 認購24,771,955股股份之購股權已獲僱員行使，其中認購680,000股股份之購股權於調整前行使。因此，就認購680,000股股份之購股權概無公開發售之影響。股份緊接購股權行使日期前之加權平均收市價為0.240港元。
- (e) 購股權並無歸屬期。
- (f) 截至二零零七年三月三十一日止年度內概無註銷購股權（二零零六年：零）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

29. Share Option Scheme (Continued)

Notes: (Continued)

- (g) The fair values of the options granted on the grant date are as follows:

	20 / 10 / 2006 二零零六年 十月二十日 HK\$ 港元	21 / 12 / 2005 二零零五年 十二月二十一日 HK\$ 港元
Estimated fair values of the options granted 已授出購股權之估計公平值	0.0917	0.0357

The fair values were calculated using The Binomial Option-Pricing Model (2006: The Black-Scholes Option Pricing Model). The inputs into the models were as follows:-

Model	模式	2007 二零零七年	2006 二零零六年
		Binomial Option-Pricing Model 二項式選擇權 定價模式	Black-Scholes Option Pricing Model 柏力克 — 舒爾斯 選擇權定價模式
Share price on grant date	授出日期之股價	HK\$港元0.241	HK\$港元0.128
Exercise price	行使價	HK\$港元.242	HK\$港元0.128
Expected volatility	預期波幅	78.28%	44.67%
Expected life	預期年期	10 years 年	2 years 年
Risk-free rate	無風險比率	4.002%	3.98%
Expected dividend yield	預期股息收益率	0%	0%
Suboptimal factor	次優因素	1.5	-

Expected volatility was estimated by the annualised standard deviations of the continuously compounded rates of return on the Company's share prices.

The Group recognised the total expenses of HK\$7,606,000 (2006: HK\$2,956,000) for the year ended 31 March 2007 in relation to share options granted by the Company.

- (h) Upon the share consolidation became effective on 26 September 2005, every 10 ordinary shares of HK\$0.01 each consolidated into 1 ordinary share of HK\$0.1 each.

29. 購股權計劃 (續)

附註：(續)

- (g) 已授出購股權於授出日期之公平值如下：

公平值乃採用二項式選擇權定價模式(二零零六年：柏力克 — 舒爾斯選擇權定價模式)計算。該等模式所採用之數據如下：

根據本公司股價之長期複合回報率之標準差額，再加以年度化，以估計預期波幅。

本集團於截至二零零七年三月三十一日止年度就本公司授出之購股權確認總開支7,606,000港元(二零零六年：2,956,000港元)

- (h) 自股份合併自二零零五年九月二十六日生效後，每10股每股面值0.01港元之普通股，已合併為1股每股面值0.1港元之普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

30. Commitments

(a) Capital commitments

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the financial statements	已訂約但未於財務報表撥備之資本開支		
– Capital contribution to a wholly foreign owned subsidiary	– 向一間外商獨資附屬公司之出資	780	–
– Acquisition of a subsidiary	– 收購一間附屬公司	–	8,860
		780	8,860

(b) Commitments under operating leases

At the balance sheet date, the Group had total future outstanding minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	2,116	1,292
In the second to fifth year inclusive	兩年至五年內	309	1,891
		2,425	3,183

The Company had no significant future lease payments at both balance sheet dates.

30. 承擔

(a) 資本承擔

(b) 經營租賃承擔

於結算日，本集團根據不可撤銷經營租賃之將來未償付最低租賃付款如下：

於各結算日，本公司並無任何重大未來租賃付款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

31. Related Party Transactions

(a) Transactions with related parties

The following is a summary of significant related party transactions during the year.

31. 有關連人士交易

(a) 有關連人士交易

年內，重大有關連人士交易概述如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		Note 附註	
Sales of automotive compressors to a related company	銷售汽車壓縮機予一間有關連公司	(i)	2,188
Salaries and retirement benefits schemes contributions paid to related parties	支付予有關連人士之薪金及退休福利計劃供款	(ii)	4,455
Rental expenses paid to a related company	支付予一間有關連公司之租金支出	(iii)	—
Fixed assets purchased from a related party	從一名有關連人士購入之固定資產	(iv)	—
Management fee income received from a related company	收自一間有關連公司之管理費用	(v)	—
			138
			7
			250
			150

Note:

- (i) Sales of automotive compressors to a related company on mutually agreed terms by respective parties.
- (ii) Salaries and retirement benefits schemes contributions paid to related parties for their employments with subsidiaries.
- (iii) Rental expenses paid to a related company on normal commercial terms.
- (iv) Fixed assets were purchased from a related party on normal commercial terms.
- (v) Management fee income received from a related company for general services provided.

附註：

- (i) 銷售汽車壓縮機予一間有關連公司乃按各方同意之條款進行。
- (ii) 向由附屬公司聘用之有關連人士支付薪金及退休福利計劃供款。
- (iii) 按一般商業條款向一間有關連公司支付之租金支出。
- (iv) 按一般商業條款向一名有關連人士購入固定資產。
- (v) 就所提供之一般服務收自一間有關連公司之管理費用。

(b) Key management personnel compensation

Emoluments of key management personnel are disclosed in Note 14 to the financial statements.

(b) 主要管理人員補償

主要管理人員之酬金於財務報表附註14披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

32. Events after the Balance Sheet Date

On 13 July 2007, the Company served a notice to Jiangsu Songlin Automobile Parts Co., Ltd. confirming the termination of the negotiation of the terms and conditions of the formal agreement in relation to the proposed subscription at a consideration of approximately HK\$63 million.

33. Comparative Figures

As explained in Note 6, the Group discontinued its operation in the trading of electronic components business, the accounting treatment and presentation in the financial statements of last financial year has been restated to comply with the relevant requirements. Accordingly, certain comparative figures have been reclassified to conform with the current year's presentation.

34. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board on 27 July 2007.

31. 結算日後事項

於二零零七年七月十三日，本公司向江蘇松林汽車零部件有限公司發出通知，確定終止就以約63,000,000港元代價之建議認購洽商正式協議條款及條件。

32. 比較數字

正如附註6所述，本集團已終止經營其電子零件買賣業務，會計處理及上一個財政年度財務報表之呈列數字已按照有關規定重列。因此，為符合本年度之呈報方式，若干比較數字已重新分類。

33. 批准財務報表

財務報表已於二零零七年七月二十七日經董事會批准及授權刊發。