



**XIN CORPORATION LIMITED**  
新 創 綜 合 企 業 有 限 公 司

**2007**

Annual Report 年 報

Stock Code 股份代號 : 1141

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## CORPORATE INFORMATION

### 公司資料

#### EXECUTIVE DIRECTORS

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Mr. Lo Ming Chi, Charles (*Chairman*)  
Mr. Yu Wai Man  
Mr. Wilson Ng  
Mr. Ng Wee Keat  
Mr. Ng Eng Leng

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

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Mr. Wong Kwok Tai  
Mr. Lau Pok Lam  
Mr. Ko Kwong Woon, Ivan

#### COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

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Mr. Yu Wai Man

#### REGISTERED OFFICE

---

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

#### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Room 2107, 21st Floor  
Nan Fung Tower  
173 Des Voeux Road Central  
Hong Kong

#### PRINCIPAL BANKERS

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Standard Chartered Bank (Hong Kong) Limited  
Agricultural Bank of China

#### SOLICITORS

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Richards Butler

#### AUDITORS

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Ernst & Young  
18th Floor  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

#### 執行董事

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勞明智先生 (主席)  
余偉文先生  
黃偉盛先生  
黃偉傑先生  
黃應麟先生

#### 獨立非執行董事

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黃國泰先生  
劉璞琳先生  
高廣垣先生

#### 公司秘書及合資格會計師

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余偉文先生

#### 註冊辦事處

---

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

#### 總辦事處及主要營業地點

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香港  
德輔道中173號  
南豐大廈  
21樓2107室

#### 主要往來銀行

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渣打銀行(香港)有限公司  
中國農業銀行

#### 律師

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齊伯禮律師行

#### 核數師

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安永會計師事務所  
香港中環  
金融街8號  
國際金融中心  
2期18樓

## CORPORATE INFORMATION 公司資料

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

### 主要股份過戶登記處

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Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Tengis Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

### 香港股份過戶登記分處

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登捷時有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

## CHAIRMAN'S STATEMENT 主席報告書

For the year ended 31 March 2007, the Group's turnover was approximately HK\$193,989,000 which was about 16.6% greater than that of the last year (2006: HK\$166,345,000). Net loss attributable to equity holders of the Company was HK\$7,904,000 (2006: HK\$15,994,000), recording an improvement of 50.6%. The improvement in both turnover and results was mainly due to the Group's focus on the supply and procurement business.

### BUSINESS OVERVIEW

Following the disposal of a loss-making group of subsidiaries engaged in the toys business in August 2005, the Group has been concentrating on the profit-making supply and procurement business. For the year under review, the performance by the supply and procurement business was satisfactory. It recorded a turnover HK\$193,989,000 (2006: HK\$155,550,000), representing an increase of 24.7% and a profit of HK\$21,189,000, representing an increase of 36.8% as compared to HK\$15,494,000 for the last year.

Since April 2004, the Group has been commencing its supply and procurement business in Asia Pacific Region by formation of a joint venture company namely as "Xin Procurement and Trading Pte. Ltd." ("Xin Procurement") in which the Group and Huang & Co (Singapore) Pte. Ltd. ("HCSPL") own 51% and 49% equity interest respectively. With the improvement in the economy of Southeast Asia Region, tight cost control and the appreciation of Singapore dollars, the Group recorded double-digit growth in both turnover and results of the supply and procurement business in the year. In order to strengthen the Group's investment with stable revenue-generating power, the Group, on 22 November 2006, entered into a sale and purchase agreement to acquire from HCSPL an additional 24% equity interest in the entire issued share capital of Xin Procurement (the "Sale Shares") and the rights of and benefits in a loan of S\$120,000 (equivalent to HK\$600,000) advanced from HCSPL to Xin Procurement, representing 24% of the total principal amount of the shareholders' loans in Xin Procurement (the "Sale Loan"). Upon completion on 28 February 2007, the Group has 75% equity interest in Xin Procurement. The management believes that the supply and procurement business is expected to be one of major engines for the Group's growth.

截至二零零七年三月三十一日止年度，本集團之營業額約為193,989,000港元，較去年上升約16.6%（二零零六年：166,345,000港元）。本公司權益持有人應佔虧損淨額為7,904,000港元（二零零六年：15,994,000港元），錄得50.6%的改善。營業額及業績兩方面得以改善主要是由於本集團專注於供應及採購業務。

### 業務概覽

隨著於二零零五年八月出售經營玩具業務並錄得虧損之附屬公司集團後，本集團一直專注於錄得盈利之供應及採購業務。於回顧年度，供應及採購業務之表現令人滿意。該項業務錄得營業額193,989,000港元（二零零六年：155,550,000港元），上升24.7%，並錄得溢利21,189,000港元，較去年之15,494,000港元上升36.8%。

自二零零四年四月以來，本集團已透過成立由本集團與Huang & Co (Singapore) Pte. Ltd.（「HCSPL」）分別佔51%及49%股本權益之合營公司「Xin Procurement and Trading Pte. Ltd.」（「Xin Procurement」），開始其在亞太區之供應及採購業務。隨著東南亞地區經濟改善、嚴格之成本控制及新加坡元升值，本集團於本年內的供應及採購業務之營業額及業績兩方面均錄得雙位數字之增長。為了增強本集團具備穩定收入增長能力之投資，於二零零六年十一月二十二日，本集團訂立一項買賣協議，向HCSPL收購Xin Procurement全部已發行股本之額外24%股權（「銷售股份」）及HCSPL向Xin Procurement墊付之貸款120,000坡元（相等於600,000港元）之權利及利益，佔Xin Procurement之股東貸款本金總額之24%（「銷售貸款」）。於二零零七年二月二十八日完成時，本集團擁有Xin Procurement之75%股權。管理層相信，供應及採購業務預期將成為本集團增長之主要動力之一。

## CHAIRMAN'S STATEMENT 主席報告書

### PROSPECTS

In the long term, Asia Pacific Region's economic performance remains promising and continues to have a positive effect on the local economy. The management is confident that the supply and procurement business will continue to be benefited from the improving economic prospects. To strengthen the prospects of further growth, we will continue to expand its existing operations, to look for new investment opportunities and to diversify its business.

### APPRECIATION

Finally, on behalf of the board, I would like to thank all our shareholders for their continual support and to all our staff their contributions during the year.

**Lo Ming Chi, Charles**  
*Chairman*

Hong Kong  
25 July 2007

### 展望

長遠而言，亞太區經濟表現仍然理想，並繼續為本港經濟帶來正面影響。管理層深信供應及採購業務將繼續受惠於正在改善中的經濟前景。為加強進一步增長之前景，本集團將會繼續擴大其現有業務、發掘嶄新之投資機會及多元化發展其業務。

### 鳴謝

最後，本人謹代表董事會，對過去一年內本集團全體股東從不間斷之支持及所有員工作出之貢獻，致以由衷謝意。

**主席**  
**勞明智**

香港  
二零零七年七月二十五日

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### RESULTS

For the year ended 31 March 2007, the Group recorded its turnover of HK\$193,989,000 (2006: HK\$166,345,000) and its loss attributable to equity holders of the Company was HK\$7,904,000 (2006: HK\$15,994,000).

#### CHARGE ON THE GROUP'S ASSETS

Certain investment properties and prepaid land lease payments of the Group in Mainland China with an aggregate carrying value of HK\$17,769,000 as at 31 March 2007 (2006: HK\$25,565,000) were pledged to secure bank borrowing advanced to the Group.

#### CONTINGENT LIABILITIES

In the opinion of the directors, there was no significant contingent liabilities noted as at 31 March 2007 (2006: Nil).

#### PENDING LITIGATIONS

As at 31 March 2007, there was no pending litigations (2006: Nil).

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2007, the Group's total indebtedness (representing the total interest-bearing borrowings and convertible notes from banks and loan providers) was approximately HK\$31,615,000 (2006: HK\$44,558,000) will be repayable within one to three years. All borrowings of the Group are at fixed or floating interest rates and mainly denominated either in Hong Kong dollars or Renminbi or Singapore dollars. As at 31 March 2007, the Group has current ratio of 1.00 (2006: 0.79) based on current assets of HK\$108,978,000 and current liabilities of HK\$108,642,000.

As at 31 March 2007, the Group had neither unutilised banking facilities nor any hedging financial statements. The Group's net current assets were HK\$336,000 and its gearing ratio (total indebtedness divided by equity attributable to equity holders of the Company) was 0.83 as at 31 March 2007. Since there was a negative equity attributable to equity holders of the Company of HK\$2,124,000 in the previous year, calculation of gearing ratio was not applicable.

#### 業績

截至二零零七年三月三十一日止年度，本集團錄得之營業額為193,989,000港元（二零零六年：166,345,000港元），而本公司權益持有人應佔虧損淨額則為7,904,000港元（二零零六年：15,994,000港元）。

#### 本集團資產之抵押

於二零零七年三月三十一日，本集團將賬面總值17,769,000港元（二零零六年：25,565,000港元）於中國內地之若干投資物業及預付土地租賃款項抵押，以取得本集團獲授之銀行貸款。

#### 或然負債

董事認為，本集團於二零零七年三月三十一日並無重大或然負債（二零零六年：無）。

#### 仍未了結之訴訟

於二零零七年三月三十一日，本集團並無任何仍未了結之訴訟（二零零六年：無）。

#### 流動資金及財政資源

於二零零七年三月三十一日，本集團之總負債（即銀行及貸款供應商之計息貸款及可換股票據總額）約31,615,000港元（二零零六年：44,558,000港元）須於一至三年內償還。本集團全部借款均以固定或浮動利率計息及主要以港元或人民幣或新加坡元計值。於二零零七年三月三十一日，根據流動資產108,978,000港元及流動負債108,642,000港元計算，本集團之流動比率為1.00（二零零六年：0.79）。

於二零零七年三月三十一日，本集團並無未動用之銀行融資或任何對沖金融文據。本集團之流動資產淨值為336,000港元，而其於二零零七年三月三十一日之資本負債比率（總負債除以本公司權益持有人應佔權益）為0.83。由於在前一年度出現本公司權益持有人應佔負債2,124,000港元，因此並不適宜計算資本負債比率。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

On 30 March 2006, pursuant to the subscription agreement entered on 15 February 2006 between the Group and Vision Century Group Limited ("Vision Century"), the controlling shareholder of the Company, a 1% per annum convertible note in principal amount of HK\$37,000,000 (the "Convertible Note") was issued to Vision Century. The Convertible Note is repayable in three years or convertible into the Company's ordinary share of HK\$0.01 at an initial conversion price of HK\$0.205 each, which was subsequently adjusted to HK\$0.141 per conversion share as a result of the open offer on 16 October 2006 as stated herein.

In order to strengthen the capital base of the Group and to improve the Group's financial position, on 16 October 2006, the Company effected an open offer with assured allotment of three offer shares for every share of HK\$0.01 each held by shareholders as at 26 September 2006. The open offer resulted in the issue of 248,112,042 new ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.12 per share. Cash proceeds of approximately HK\$29,773,000, before the related expenses, were received by the Company. For details, please refer to the Company's prospectus dated 26 September 2006. As a result of the open offer, the conversion price of the Convertible Note, the exercise price and the aggregate number of the share options were adjusted accordingly. For details, please refer to the Company's announcement dated 20 October 2006. On 1 March 2007 and 5 March 2007, two tranches of the Convertible Note of principal sum of HK\$10,000,000 each at the adjusted conversion price of HK\$0.141 per share were converted into a total of 141,843,970 shares. As at 31 March 2007, the outstanding principal sum of the Convertible Note was HK\$17,000,000.

On 22 November 2006, the Group entered into a conditional sale and purchase agreement to acquire from HCSPL (i) the Sale Shares; and (ii) the Sale Loan at an aggregate consideration of HK\$7,126,560. For details, please refer to the Company's circular dated 29 January 2007. Upon completion on 28 February 2007, the Group's equity interest in Xin Procurement was increased to 75% and the consideration was satisfied by the Company issuing HCSPL a convertible note in principal sum of HK\$7,126,560 at an initial conversion price of HK\$0.17 per share (the "New Convertible Note").

### POST BALANCE SHEET EVENTS

On 17 April 2007, HCSPL exercised its right to convert the New Convertible Note of principal amount of HK\$7,126,560 into 41,920,941 ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.17 per share. The conversion resulted in an increase in share capital and share premium account of HK\$419,000 and HK\$6,707,000, respectively.

於二零零六年三月三十日，根據本集團與本公司之控股股東Vision Century Group Limited（「Vision Century」）於二零零六年二月十五日訂立之認購協議，本公司向Vision Century發行本金額37,000,000港元之每年一厘利息之可換股票據（「可換股票據」）。可換股票據須於三年內償還或可按初步換股價每股0.205港元兌換為本公司面值0.01港元之普通股，如本公佈所述，換股價其後已於二零零六年十月十六日因公開發售而調整至每股兌換股份0.141港元。

為了增強本集團之股本基礎及改善本集團之財務狀況，於二零零六年十月十六日，本公司實行公開發售，按於二零零六年九月二十六日股東每持有每股面值0.01港元之一股股份獲保證配發三股發售股份。公開發售導致按每股0.12港元之價格發行248,112,042股每股面值0.01港元之本公司新普通股。所得現金款項約29,773,000港元（未計有關開支）已由本公司收悉。有關詳情，請參閱本公司於二零零六年九月二十六日之章程。由於進行公開發售，可換股票據之換股價、購股權之行使價及總數已作出相應調整。有關詳情，請參閱本公司於二零零六年十月二十日之公佈。於二零零七年三月一日及二零零七年三月五日，兩批本金額各自為10,000,000港元之可換股票據已按經調整換股價每股0.141港元，兌換為合共141,843,970股股份。於二零零七年三月三十一日，尚未償還之可換股票據本金額為17,000,000港元。

於二零零六年十一月二十二日，本集團訂立一項有條件買賣協議，向HCSPL收購(i)銷售股份；及(ii)銷售貸款，總代價為7,126,560港元。有關詳情，請參閱本公司於二零零七年一月二十九日之通函。於二零零七年二月二十八日完成時，本集團於Xin Procurement之股權增加至75%，而代價則由本公司向HCSPL發行本金額7,126,560港元及初步換股價為每股0.17港元之可換股票據（「新可換股票據」）支付。

### 結算日後事項

於二零零七年四月十七日，HCSPL行使其權利，按換股價每股0.17港元，兌換本金額7,126,560港元之新可換股票據為41,920,941股每股面值0.01港元之本公司普通股。該項兌換導致股本及股份溢價賬分別增加419,000港元及6,707,000港元。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

On 30 April 2007 and 30 May 2007, 3,072,000 and 1,024,000 share options were exercised by the directors of the Company, respectively, at an exercise price of HK\$0.23 per share.

On 20 June 2007, the Company entered into (i) a conditional placing agreement with Interchina Securities Limited (the "Placing Agent") in relation to the placing by the Placing Agent, on a best effort basis, of the Company's convertible notes with principal amount up to HK\$100,000,000 (the "Notes") to independent third parties (the "Placing Agreement"). The Notes are convertible into new shares of the Company at initial conversion price of HK\$0.28 per share. Upon exercise in full of the Notes with principal amount of HK\$100,000,000, 357,142,857 new shares will be issued, representing 68.6% of the existing issued share capital of the Company as at the date of the Placing Agreement; and (ii) a conditional option agreement with Vision Century to which the Company has conditionally agreed to grant to Vision Century an option exercisable during the option period to subscribe for convertible notes to be issued by the Company with principal amount up to HK\$100,000,000 (the "New Vision Century Notes") at consideration of HK\$10 (the "Option Agreement"). The terms of the New Vision Century Notes will be identical to those of the Notes, as disclosed above. Among other things, completion of the Placing Agreement and the Option Agreement is inter-conditional and subject to the approval of the Placing Agreement, the Option Agreement and the issue of the Notes and the New Vision Century Notes by the independent shareholders of the Company at the forthcoming special general meeting to be held on 6 August 2007. For details, please refer to the Company's circular dated 19 July 2007.

#### FOREIGN CURRENCY EXPOSURE

The Group has transactional currency exposures in United States dollars, Singapore dollars and Malaysia Ringgit. Such exposures arise from the Group's procurement business. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

#### HUMAN RESOURCES

As at 31 March 2007, the Group employed a total of 15 employees, among which, 6 staff were based in Hong Kong and 9 were in Singapore. Apart from competitive remuneration package offered to the employees, discretionary bonuses and share options are granted to eligible staff based on individual performance.

於二零零七年四月三十日及二零零七年五月三十日，3,072,000份及1,024,000份購股權已由本公司董事按行使價每股0.23港元行使。

於二零零七年六月二十日，本公司(i)與國中證券有限公司(「配售代理」)訂立一項有條件配售協議，內容有關配售代理按盡最大努力之基準，配售本金額最多100,000,000港元之本公司可換股票據(「票據」)予多名獨立第三方(「配售協議」)。票據可按初步換股價每股0.28港元兌換為本公司之新股份。在本金額100,000,000港元之票據被全數行使後，本公司將發行合共357,142,857股新股份，相等於本公司於配售協議日期之現有已發行股本之68.6%；及(ii)與Vision Century訂立一項有條件購股權協議，據此本公司已有條件同意授予Vision Century一項購股權，而Vision Century據此可在購股權期間內，行使購股權以認購本公司所發行本金額最多100,000,000港元之可換股票據(「新的Vision Century票據」)，代價為10港元(「購股權協議」)。如上文所披露，新的Vision Century票據之條款與票據之條款相同。條款當中包括，配售協議及購股權協議須待彼此獲履行後方可作實，並須待本公司獨立股東於二零零七年八月六日舉行之本公司股東特別大會上批准配售協議、購股權協議及發行票據及新的Vision Century票據後方可作實。有關詳情，請參閱本公司於二零零七年七月十九日之通函。

#### 匯率波動風險

本集團面對美元、新加坡元及馬來西亞幣之交易貨幣風險。該等風險源自本集團之採購業務。本集團目前並無外匯對沖政策。然而，管理層密切監察外匯風險及將於有需要時考慮對沖重大外匯風險。

#### 人力資源

於二零零七年三月三十一日，本集團聘用之僱員總數共15人，當中長駐香港之職員為6人及長駐新加坡之職員為9人。本集團除向僱員提供優厚之薪酬福利外，亦根據個人之表現向合資格職員授出酌情花紅及購股權。

## DIRECTORS' BIOGRAPHIES 董事履歷

### EXECUTIVE DIRECTORS

**Mr. Lo Ming Chi, Charles, J.P.** *Chairman and the chairman of the Remuneration Committee*

Aged 57. Mr. Lo joined the Company as an executive director and the chairman of the Company in December 2000. Mr. Lo is a Certified Practising Accountant of the CPA Australia and is an associate member of the Financial Services Institute of Australasia. Mr. Lo has over 31 years of professional and business experience in financial and investment services in Australia, Hong Kong and other Asian countries. Mr. Lo is also a director of various members of the Group.

**Mr. Yu Wai Man** *Company Secretary, Qualified Accountant and member of Remuneration Committee*

Aged 42. Mr. Yu joined the Company as the company secretary and qualified accountant in December 2000 and was appointed an executive director in April 2001. Mr. Yu is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and has over 22 years of experience in the accounting field, including 3 years in external audit and 2 years in internal audit. Mr. Yu has over 14 years of financial experience in companies listed both in Hong Kong and the United Kingdom. Mr. Yu is also a director of various members of the Group.

**Mr. Wilson Ng**

Aged 35. Mr. Ng joined the Company as an executive director in September 2002. Mr. Ng graduated from Santa Clara University with a Bachelor's Degree in Chemistry and Psychology. Mr. Ng has extensive investment experience in Southeast Asia. Prior to joining the Company, Mr. Ng was primarily involved in corporate development and business investment activities. Mr. Ng is a director of Xin Procurement & Trading Pte. Ltd., a subsidiary of the Company. Mr. Ng is also a director of Huang Worldwide Holding Limited, the immediate holding company of Vision Century Group Limited, which is a substantial shareholder of the Company. Mr. Ng is also a director of Huang & Co (Singapore) Pte. Ltd., a substantial shareholder of the Company. Mr. Ng is the elder brother of Mr. Ng Wee Keat.

### 執行董事

**勞明智先生** *太平紳士，主席及薪酬委員會主席*

57歲。勞先生於二零零零年十二月加入本公司任職執行董事及主席。勞先生為澳洲會計師公會之執業會計師及Financial Services Institute of Australasia之會員。勞先生在澳洲、香港及其他亞洲國家之金融及投資服務方面擁有逾31年之專業及商務經驗。勞先生亦為本集團多間成員公司之董事。

**余偉文先生** *公司秘書、合資格會計師及薪酬委員會成員*

42歲。余先生於二零零零年十二月加入本公司任職公司秘書及合資格會計師，並於二零零一年四月獲委任為執行董事。余先生為特許公認會計師公會及香港會計師公會之資深會員，並在會計方面擁有逾22年之經驗，其中包括3年外部審計及2年內部審計之經驗。余先生擁有逾14年香港及英國上市公司之財務經驗。余先生亦為本集團多間成員公司之董事。

**黃偉盛先生**

35歲。黃先生於二零零二年九月加入本公司為執行董事。黃先生畢業於Santa Clara University，獲頒化學及心理學學士學位，並在東南亞有廣泛投資經驗。黃先生加入本公司前，主要從事企業發展及商業投資業務。黃先生為本公司附屬公司Xin Procurement & Trading Pte. Ltd.之董事。黃先生亦為本公司主要股東Vision Century Group Limited之直接控股公司Huang Worldwide Holding Limited之董事。黃先生亦為本公司主要股東Huang & Co (Singapore) Pte. Ltd.之董事。黃先生為黃偉傑先生之胞兄。

## DIRECTORS' BIOGRAPHIES

### 董事履歷

#### EXECUTIVE DIRECTORS (continued)

##### Mr. Ng Wee Keat

Aged 30. Mr. Ng joined the Company as an executive director in April 2003. Mr. Ng graduated from Indiana University with a Bachelor of Arts Degree in Economics. Prior to joining the Company, Mr. Ng worked in a ship management company where he was responsible for re-engineering the company's structure as well as ensuring its daily operation in a smooth and efficient way. Mr. Ng is a director of Xin Procurement & Trading Pte. Ltd., a subsidiary of the Company. Mr. Ng is also a director of Huang Worldwide Holding Limited, the immediate holding company of Vision Century Group Limited, which is a substantial shareholder of the Company and in which Mr. Ng is also a director. Mr. Ng is a younger brother of Mr. Wilson Ng.

##### Mr. Ng Eng Leng

Aged 57. Mr. Ng joined the Company as an executive director in April 2003. Mr. Ng is a member of the Marketing Institute of Singapore and the Singapore Institute of Directors. Mr. Ng has 36 years of working experience as a senior executive with a wide range of multi-national corporations, especially in new event launches, marketing, research and operational management. Mr. Ng is a director of Xin Procurement & Trading Pte. Ltd., a subsidiary of the Company.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

##### Mr. Wong Kwok Tai *Chairman of the Audit Committee and member of the Remuneration Committee*

Aged 68. Mr. Wong joined the Company as an independent non-executive director in August 2001. Mr. Wong is a Practising Certified Public Account and a fellow member of both of the CPA Australia and the Hong Kong Institute of Certified Public Accountants. Mr. Wong has more than 42 years of financial experience. Mr. Wong is the principal of W. Wong & Co., C.P.A..

#### 執行董事(續)

##### 黃偉傑先生

30歲。於二零零三年四月加入本公司出任執行董事。黃先生畢業於Indiana University，獲頒經濟學學士學位。黃先生加入本公司前，曾於一間船舶管理公司任職，負責重新策劃公司架構，以及確保公司日常運作暢順，快捷有效。黃先生為本公司附屬公司Xin Procurement & Trading Pte. Ltd.之董事。黃先生亦為本公司主要股東Vision Century Group Limited之直接控股公司Huang Worldwide Holding Limited之董事，而黃先生亦為Vision Century Group Limited之董事。黃先生為黃偉盛先生之胞弟。

##### 黃應麟先生

57歲。黃先生於二零零三年四月加入本公司出任執行董事。黃先生為新加坡市場學院及新加坡董事協會之會員。黃先生於多間跨國公司出任高級行政人員達36年，尤其對推出新產品、市場推廣、研究及營運管理方面擁有豐富經驗。黃先生為本公司附屬公司Xin Procurement & Trading Pte. Ltd.之董事。

#### 獨立非執行董事

##### 黃國泰先生 *審核委員會主席及薪酬委員會成員*

68歲。黃先生於二零零一年八月加入本公司出任獨立非執行董事。黃先生乃執業會計師，並為澳洲會計師公會及香港會計師公會之資深會員。黃先生擁有逾42年財務經驗。黃先生為黃國泰會計師行之負責人。

## DIRECTORS' BIOGRAPHIES 董 事 履 歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Lau Pok Lam** *Member of the Audit Committee and the Remuneration Committee*

Aged 60. Mr. Lau joined the Company as an independent non-executive director in April 2003. Mr. Lau is a practising Certified Public Accountant, a fellow member of both of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, an associate member of the Institute of Chartered Accountants in England and Wales and the Taxation Institute of Hong Kong and a member of the Society of Chinese Accountants and Auditors. Mr. Lau has over 36 years of experience in the professional accountancy and financial fields.

**Mr. Ko Kwong Woon, Ivan** *Member of the Audit Committee and the Remuneration Committee*

Aged 47. Mr. Ko joined the Company as an independent non-executive director in September 2004. Mr. Ko graduated from the Chinese University of Hong Kong with a Business Degree and studied a Master Degree Course in Real Estate Development at the University of Hong Kong. Mr. Ko also completed the Real Estate Finance Program at the Wharton School and attended the School of Mortgage Banking in United States. Mr. Ko has over 15 years of experience in real estate development and real estate finance in both Hong Kong and Mainland China.

### 獨立非執行董事 (續)

**劉璞琳先生** 審核委員會及薪酬委員會成員

60歲。劉先生於二零零三年四月加入本公司出任獨立非執行董事。劉先生為執業會計師，並為特許公認會計師公會及香港會計師公會之資深會員、英格蘭及威爾斯特許會計師公會會員、香港稅務學會會員及香港華人會計師公會會員。劉先生具有超過36年之專業會計及財務經驗。

**高廣垣先生** 審核委員會及薪酬委員會成員

47歲。高先生於二零零四年九月加入本公司出任獨立非執行董事。高先生持有香港中文大學商科學位及於香港大學修讀房地產發展並完成碩士學位課程。高先生亦已完成Wharton School之房地產金融課程，並曾於美國School of Mortgage Banking進修。高先生擁有超過15年在中港兩地從事房地產發展及房地產金融業務之經驗。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Board of Directors (the “Board”) is committed to maintaining high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of its shareholders and to enhance the performance of the Group.

#### CORPORATE GOVERNANCE PRACTICES

The Board has adopted the principles and complied all the applicable provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31 March 2007, except for certain deviations as specified with considered reasons for such deviations as explained below.

#### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the year.

#### BOARD OF DIRECTORS

The Board is responsible for leadership and control of the Company. The Board reviews and approves the objectives, strategies, direction and policies of the Group, the annual budget, annual and interim results, the management structure of the Company as well as other significant policy and financial matters. The Board has delegated the responsibility of the day-to-day operations of the Group to the management of the Company.

董事會(「董事會」)一直致力維持高水準之企業管治常規。董事會深信良好之企業管治有助保障其股東之利益及提升本集團之表現。

#### 企業管治常規

於截至二零零七年三月三十一日止年度，本公司已採納及遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之所有適用守則條文，惟下文所解釋若干已闡明原因之偏離行為除外。

#### 董事的證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為本公司董事進行證券交易之行為守則。經向本公司全體董事進行特定查詢後，彼等均確認於年內已遵守標準守則所載之規定準則。

#### 董事會

董事會負責領導及監控本公司。董事會審閱及批核本集團之業務目標、策略、方向及政策、本公司之年度預算、全年及中期業績、管理層架構，以及其他重大政策及財務事宜。董事會已委任本公司管理層負責本集團之日常營運。

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Board comprises eight Directors, five of which are executive Directors, namely Mr. Lo Ming Chi, Charles (Chairman), Mr. Yu Wai Man, Mr. Wilson Ng, Mr. Ng Wee Keat and Mr. Ng Eng Leng; and three are independent non-executive directors, namely Mr. Wong Kwok Tai, Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan. The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all the independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules. Biographical details of the Directors (including the relationships among members of the Board) are set out under the section headed "Directors' Biographies" on pages 9 to 11 of this annual report.

During the year, four full board meetings were held and the attendance of each director is set out as follows:

董事會由八名董事組成，當中五名為執行董事，即勞明智先生(主席)、余偉文先生、黃偉盛先生、黃偉傑先生及黃應麟先生；以及三名為獨立非執行董事，即黃國泰先生、劉璞琳先生及高廣垣先生。本公司已接獲獨立非執行董事各自根據上市規則第3.13條發出之年度獨立確認書。本公司參照上市規則所載列之獨立指引，視全部獨立非執行董事為獨立人士。董事之履歷詳情(包括董事會成員間之關係)載列於本年報第9至第11頁之「董事履歷」一節內。

年內，本公司舉行了四次全體董事成員會議，各董事之出席率載列如下：

| Executive Directors                          | Number of attendance | 執行董事           | 出席次數 |
|----------------------------------------------|----------------------|----------------|------|
| Mr. Lo Ming Chi, Charles ( <i>Chairman</i> ) | 3/4                  | 勞明智先生(主席)      | 3/4  |
| Mr. Yu Wai Man                               | 4/4                  | 余偉文先生          | 4/4  |
| Mr. Wilson Ng                                | 2/4                  | 黃偉盛先生          | 2/4  |
| Mr. Ng Wee Keat                              | 2/4                  | 黃偉傑先生          | 2/4  |
| Mr. Ng Eng Leng                              | 2/4                  | 黃應麟先生          | 2/4  |
| <b>Independent Non-executive Directors</b>   |                      | <b>獨立非執行董事</b> |      |
| Mr. Wong Kwok Tai                            | 3/4                  | 黃國泰先生          | 3/4  |
| Mr. Lau Pok Lam                              | 4/4                  | 劉璞琳先生          | 4/4  |
| Mr. Ko Kwong Woon, Ivan                      | 4/4                  | 高廣垣先生          | 4/4  |

### CHAIRMAN AND CHIEF OFFICER

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

### 主席及行政總裁

守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任，而主席與行政總裁之職責的分工應清楚界定並以書面列載。



## CORPORATE GOVERNANCE REPORT 企業管治報告

The position of the chairman of the Board is currently held by Mr. Lo Ming Chi, Charles. The Company does not at present have any officer with the title "Chief Executive Officer" but the division of responsibilities between the chairman and chief executive officer have been clearly established and set out in writing. The Company might consider appointing a chief executive officer in the event it could locate appropriate personnel.

### NON-EXECUTIVE DIRECTORS

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to the Bye-Law 87 of the Company where provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

### REMUNERATION OF DIRECTORS

The Remuneration Committee was established on 13 July 2005 with specific terms of reference. It comprises five members, including two executive directors, namely Mr. Lo Ming Chi, Charles (Chairman) and Mr. Yu Wai Man, and three independent non-executive directors of the Company, namely Mr. Wong Kwok Tai, Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan.

The major roles and functions of the Remuneration Committee are as follows:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and
2. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

董事會由主席之職位現由勞明智先生擔任。本公司現時並無設立「行政總裁」銜頭之任何職位，但主席與行政總裁之職責已明確區分，並以書面形式制定。倘能夠物色到合適人選，本公司可能考慮委任一名行政總裁。

### 非執行董事

守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須接受重新選舉。

本公司之獨立非執行董事並非按指定任期委任，惟須按本公司之公司細則第87條所載之規定至少每三年輪值告退一次，該條文規定，於每屆股東週年大會上，三分之一（或如彼等之人數並非三(3)之倍數，則以最接近但不少於三分之一之人數為準）當時在任之本公司董事須輪值告退。

### 董事薪酬

薪酬委員會乃於二零零五年七月十三日成立，並設有特定之職權範圍。薪酬委員會由五名成員組成，包括本公司之兩名執行董事，即勞明智先生（主席）及余偉文先生，以及三名獨立非執行董事，即黃國泰先生、劉璞琳先生及高廣垣先生。

薪酬委員會之主要職責及職能如下：

1. 就本公司董事及高級管理層之全體薪酬政策及架構，以及就設立正式而具透明度的程序制訂此等薪酬政策，向董事會提出建議；及
2. 透過參照董事會不時通過的公司目標，檢討及批准按表現而釐定的薪酬。

## CORPORATE GOVERNANCE REPORT 企 業 管 治 報 告

During the year, two meetings were held and the attendance of each member is set out as follows:

年內，薪酬委員會舉行了兩次會議，各成員之出席率載列如下：

| Members                                      | Number of attendance | 執行董事       | 出席次數 |
|----------------------------------------------|----------------------|------------|------|
| Mr. Lo Ming Chi, Charles ( <i>Chairman</i> ) | 1/2                  | 勞明智先生 (主席) | 1/2  |
| Mr. Yu Wai Man                               | 2/2                  | 余偉文先生      | 2/2  |
| Mr. Wong Kwok Tai                            | 1/2                  | 黃國泰先生      | 1/2  |
| Mr. Lau Pok Lam                              | 2/2                  | 劉璞琳先生      | 2/2  |
| Mr. Ko Kwong Woon, Ivan                      | 2/2                  | 高廣垣先生      | 2/2  |

The following is a summary of work performed by the Remuneration Committee during the year:

以下為薪酬委員會於年內所進行工作之概要：

1. to determine the remuneration of the Directors; and
2. to review the remuneration policy of the Group.

1. 釐定董事薪酬；及
2. 檢討本集團之薪酬政策。

### NOMINATION OF DIRECTORS

Currently, the Company did not have a nomination committee. The Directors are responsible for selecting and recommending candidates for directorship. They identify individuals suitably qualified in terms of skill, knowledge and experience to become members of the Board, taking into account of the then existing composition of the Board in terms of skill, knowledge and experience and make recommendation to the Board for approval.

### 董事提名

現時，本公司並無設立提名委員會。董事負責篩選及推薦董事候選人。董事在考慮董事會現有成員之技能、知識及經驗後，物色具備適合擔任董事會成員所需之技能、知識及經驗之人士，並向董事會推薦以供董事會批准。

### AUDITORS' REMUNERATION

For the year ended 31 March 2007, remuneration payable to the Company's auditors, Ernst & Young, for the provision of audit services was HK\$1,020,000. During the year, HK\$443,000 and HK\$400,000 were paid as remuneration to Ernst & Young and other certified public accountant firms, respectively, for the provision of non-audit related services to the Group.

### 核數師酬金

於截至二零零七年三月三十一日止年度，應付予本公司之核數師安永會計師事務所為1,020,000港元，作為提供審核服務之酬金。於本年度內，443,000港元及400,000港元分別已付予安永會計師事務所及其他執業會計師行，作為向本集團提供非審核相關服務之酬金。



## CORPORATE GOVERNANCE REPORT 企業管治報告

### AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely Mr. Wong Kwok Tai (Chairman), Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan. One of the independent non-executive directors possesses the appropriate professional qualifications, or accounting or related financial management expertise as required under the Listing Rules.

The major roles and functions of the Audit Committee are:

1. to make recommendation to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
2. to discuss with the external auditors before the audit commences, the nature and scope of the audit;
3. to review the interim and annual financial statements before submission to the Board;
4. to discuss problems and reservations arising from the interim results and final audit, and any matters the external auditors may wish to discuss; and
5. to review the Group's financial and accounting policies and practices.

During the year, two audit committee meetings were held and the attendance of each member is set out as follows:

| Members                               | Number of attendance |
|---------------------------------------|----------------------|
| Mr. Wong Kwok Tai ( <i>Chairman</i> ) | 1/2                  |
| Mr. Lau Pok Lam                       | 2/2                  |
| Mr. Ko Kwong Woon, Ivan               | 2/2                  |

### 審核委員會

審核委員會由三名獨立非執行董事組成，即黃國泰先生(主席)、劉璞琳先生及高廣垣先生。其中一名獨立非執行董事具備上市規則所規定之合適專業資格，或會計或相關財務管理專業知識。

審核委員會之主要職責及職能如下：

1. 就外聘核數師之委聘、續聘及撤職事宜，批核外聘核數師之酬金及聘任條款，以及有關外聘核數師辭任或罷免之任何問題向董事會作出推薦意見；
2. 於審核開始前與外聘核數師商討審核之性質及範疇；
3. 於向董事會提交中期及全年財務報表前審閱中期及全年財務報表；
4. 討論中期業績及全年審核工作產生之問題和保留意見，及核數師有意商談之任何事項；及
5. 審閱本集團之財務及會計政策與慣例。

年內，審核委員會舉行了兩次會議，各成員之出席率載列如下：

| 成員        | 出席次數 |
|-----------|------|
| 黃國泰先生(主席) | 1/2  |
| 劉璞琳先生     | 2/2  |
| 高廣垣先生     | 2/2  |

## CORPORATE GOVERNANCE REPORT 企業管治報告

The following is a summary of work performed by the Audit Committee during the year:

1. Reviewed with the management and auditors of the Company the accounting principles and practices adopted by the Group, discussed the audited financial statements for the year 31 March 2006 and recommended them to the Board for approval; and
2. Reviewed with the management of the Company the accounting principles and practices adopted by the Group, discussed the unaudited interim financial statements for the six months ended 30 September 2006 and recommended them to the Board for approval.

### DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2007.

The statement of the external auditors of the Company about their responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 35 to 36 of this annual report.

以下為審核委員會於年內所進行工作之概要：

1. 與本公司管理層及核數師審閱本集團所採納之會計原則及慣例，討論截至二零零六年三月三十一日止年度之經審核財務報表，並推薦予董事會以供彼等批核；及
2. 與本公司管理層審閱本集團所採納之會計原則及慣例，討論截至二零零六年九月三十日止六個月之未經審核中期財務報表，並推薦予董事會以供彼等批核。

### 董事對賬目之責任

董事會須負責就年度及中期報告、股價敏感資料的公佈及其他根據上市規則及其他監管規定須作出之財務披露呈報一個不偏不倚、清晰及可理解之評估。

董事承認彼等有編製本公司截至二零零七年三月三十一日止年度之財務報表的責任。

本公司外聘核數師就財務報表之責任聲明載於本年報第35至36頁之「獨立核數師報告」內。

## REPORT OF THE DIRECTORS

### 董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2007.

#### PRINCIPAL ACTIVITIES

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The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

#### RESULTS

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The Group's result for the year ended 31 March 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 37 to 120.

董事會謹此提呈本公司及本集團截至二零零七年三月三十一日止年度之董事會報告及經審核財務報表。

#### 主要業務

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本公司之主要業務為投資控股。附屬公司之主要業務詳列於財務報表附註18。本集團之主要業務性質於年內並無重大改變。

#### 業績

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本集團截至二零零七年三月三十一日止年度之業績及本公司與本集團於該日之業務狀況列載於財務報表第37至第120頁。

## REPORT OF THE DIRECTORS 董事會報告

### SUMMARY FINANCIAL INFORMATION

A summary of the results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below. This summary does not form part of the audited financial statements.

### 財務資料概要

以下為摘錄自己刊發之經審核財務報表之本集團過往五個財政年度之業績及資產、負債與少數股東權益概要。本概要並不構成本經審核財務報表之一部分。

### RESULTS

### 業績

Year ended 31 March  
截至三月三十一日止年度

|                                                              |                          | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 | 2005<br>二零零五年<br>HK\$'000<br>千港元 | 2004<br>二零零四年<br>HK\$'000<br>千港元 | 2003<br>二零零三年<br>HK\$'000<br>千港元 |
|--------------------------------------------------------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>CONTINUING OPERATIONS</b>                                 | <b>持續經營業務</b>            |                                  |                                  |                                  |                                  |                                  |
| Revenue                                                      | 收入                       | 193,989                          | 155,550                          | 144,687                          | -                                | -                                |
| Profit/(loss) before tax                                     | 除稅前溢利/(虧損)               | 3,643                            | 693                              | (5,807)                          | (13,182)                         | 57,295                           |
| Tax                                                          | 稅項                       | (3,553)                          | (3,172)                          | (1,608)                          | -                                | -                                |
| <b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b> | <b>持續經營業務之本年度溢利/(虧損)</b> | <b>90</b>                        | <b>(2,479)</b>                   | <b>(7,415)</b>                   | <b>(13,182)</b>                  | <b>57,295</b>                    |
| <b>DISCONTINUED OPERATIONS</b>                               | <b>已終止經營業務</b>           |                                  |                                  |                                  |                                  |                                  |
| Loss for the year from discontinued operations               | 已終止經營業務之本年度虧損            | -                                | (7,855)                          | (1,717)                          | (16,868)                         | (20,388)                         |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>                            | <b>本年度溢利/(虧損)</b>        | <b>90</b>                        | <b>(10,334)</b>                  | <b>(9,132)</b>                   | <b>(30,050)</b>                  | <b>36,907</b>                    |
| Attributable to:                                             | 以下人士應佔:                  |                                  |                                  |                                  |                                  |                                  |
| Equity holders of the Company                                | 本公司權益持有人                 | (7,904)                          | (15,994)                         | (12,047)                         | (30,575)                         | 36,907                           |
| Minority interests                                           | 少數股東權益                   | 7,994                            | 5,660                            | 2,915                            | 525                              | -                                |
|                                                              |                          | <b>90</b>                        | <b>(10,334)</b>                  | <b>(9,132)</b>                   | <b>(30,050)</b>                  | <b>36,907</b>                    |

## REPORT OF THE DIRECTORS 董事會報告

### SUMMARY FINANCIAL INFORMATION (continued)

### 財務資料概要(續)

#### ASSETS, LIABILITIES AND MINORITY INTERESTS

#### 資產與負債及少數股東權益

|                    |        | 31 March<br>三月三十一日 |                 |                 |                 |                 |
|--------------------|--------|--------------------|-----------------|-----------------|-----------------|-----------------|
|                    |        | 2007<br>二零零七年      | 2006<br>二零零六年   | 2005<br>二零零五年   | 2004<br>二零零四年   | 2003<br>二零零三年   |
|                    |        | HK\$'000<br>千港元    | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Total assets       | 總資產    | 166,931            | 118,007         | 139,472         | 89,383          | 90,198          |
| Total liabilities  | 總負債    | (128,178)          | (110,524)       | (134,027)       | (95,696)        | (118,115)       |
| Minority interests | 少數股東權益 | (688)              | (9,607)         | (2,395)         | 520             | -               |
|                    |        | 38,065             | (2,124)         | 3,050           | (5,793)         | (27,917)        |

### PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Company and of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

### 物業、廠房及設備及投資物業

本公司及本集團物業、廠房及設備及投資物業年內之變動詳情分別載於財務報表附註14及15。

### SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE NOTES

Details of movements in the Company's share capital, share options and convertible notes during the year, together with the reasons therefor, are set out in notes 29, 30 and 27 to the financial statements, respectively.

### 股本、購股權及可換股票據

年內，本公司股本、購股權及可換股票據之變動詳情連同有關原因分別載於財務報表附註29、30及27。

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### 優先購買權

本公司之公司細則或百慕達一九八一年公司法並無有關優先購買權之規定，故本公司毋須按比例發售新股予現有股東。

## REPORT OF THE DIRECTORS 董事會報告

### PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

### RESERVES/DEFICITS

Details of movements in the reserves/deficits of the Company and of the Group during the year are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

At 31 March 2007, the Company had no reserves available for cash distribution and/or distribution in specie as computed in accordance with the Companies Act 1981 of Bermuda. The Company's share premium account, in the amount of HK\$46,235,000, may be distributed in the form of fully paid bonus shares.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 100% of the total sales for the year and sales to the largest customer included therein accounted for approximately 84%. Purchases from the Group's five largest suppliers accounted for approximately 33% of the total purchases for the year and purchases from the largest supplier included therein accounted for approximately 10%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers during the year.

### 購買、贖回或出售本公司上市證券

本公司或其各附屬公司概無於年內購買、贖回或出售本公司任何上市證券。

### 儲備／虧絀

本公司及本集團年內之儲備／虧絀變動詳情分別載於財務報表附註31及綜合權益變動表內。

### 可供分派儲備

於二零零七年三月三十一日，根據百慕達一九八一年公司法計算，本公司並無可作現金分派及／或實物分派之儲備。本公司之股份溢價賬為數46,235,000港元可以繳足股款紅股之形式分派。

### 主要客戶及供應商

於回顧年度內，本集團五大客戶佔年內總銷售額約100%，而最大客戶則佔年內總銷售額約84%。本集團五大供應商佔年內總採購額約33%，而最大供應商則佔年內總採購額約10%。

本公司董事或其任何聯繫人士或據董事所知擁有本公司已發行股本逾5%之任何股東，於年內概無持有本集團五大客戶或供應商之任何實質權益。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS

The directors of the Company during the year were:

#### Executive directors:

Mr. Lo Ming Chi, Charles (*Chairman*)

Mr. Yu Wai Man

Mr. Wilson Ng

Mr. Ng Wee Keat

Mr. Ng Eng Leng

#### Independent non-executive directors:

Mr. Wong Kwok Tai

Mr. Lau Pok Lam

Mr. Ko Kwong Woon, Ivan

In accordance with bye-laws 87(1) and 87(2) of the Company's bye-laws, Mr. Yu Wai Man, Mr. Wong Kwok Tai and Mr. Ko Kwong Woon, Ivan will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Wong Kwok Tai, Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan and as at the date of this report still considers them to be independent.

### DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 9 to 11 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### 董事

年內本公司之董事如下：

#### 執行董事：

勞明智先生 (主席)

余偉文先生

黃偉盛先生

黃偉傑先生

黃應麟先生

#### 獨立非執行董事：

黃國泰先生

劉璞琳先生

高廣垣先生

根據本公司之公司細則第87(1)及87(2)條，余偉文先生、黃國泰先生及高廣垣先生將於即將舉行之股東週年大會上輪值告退，惟符合資格並願膺選連任。

本公司已接獲黃國泰先生、劉璞琳先生及高廣垣先生所發出之年度獨立性確認書，彼等於本報告日期仍被視為獨立人士。

### 董事履歷

本公司董事履歷之詳情，載於年報第9至第11頁。

### 董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內由本公司不作出賠償(法定賠償除外)而終止之服務合約。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' REMUNERATION

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The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

### DIRECTORS' INTERESTS IN CONTRACTS

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Save as disclosed in note 36 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the year.

### 董事酬金

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董事袍金須由股東於股東大會上批准。其他酬金由本公司董事會根據董事職責、責任及表現，以及本集團業績釐定。

### 董事之合約權益

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除財務報表附註36所披露者外，董事於年內在由本公司或其任何控股公司、附屬公司及同系附屬公司訂立對本集團業務而言為重要之合約中，概無直接或間接擁有重大權益。



## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2007, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

### 董事於股份及相關股份之權益及淡倉

於二零零七年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本及相關股份中擁有根據證券及期貨條例第352條須登記於本公司所存置之登記冊內之權益及淡倉，或根據上市公司董事進行證券交易的標準守則(「標準守則」)之規定而須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

於本公司普通股之好倉：

| Name of director         | 董事姓名  | Number of shares held, capacity and nature of interest<br>所持股份數目、身份及權益性質 |                                  |             | Percentage of the Company's issued share capital<br>佔本公司已發行股本之百分比 |
|--------------------------|-------|--------------------------------------------------------------------------|----------------------------------|-------------|-------------------------------------------------------------------|
|                          |       | Directly beneficially owned<br>直接實益擁有                                    | Beneficiary of a trust<br>信託之受益人 | Total<br>總計 |                                                                   |
| Mr. Lo Ming Chi, Charles | 勞明智先生 | 1,024,000                                                                | –                                | 1,024,000   | 0.22                                                              |
| Mr. Wilson Ng            | 黃偉盛先生 | 1,000,000                                                                | 278,392,754<br>(note 1)<br>(附註1) | 279,392,754 | 58.86                                                             |
| Mr. Ng Wee Keat          | 黃偉傑先生 | –                                                                        | 278,392,754<br>(note 1)<br>(附註1) | 278,392,754 | 58.65                                                             |

## REPORT OF THE DIRECTORS 董 事 會 報 告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

### 董事於股份及相關股份之權益及淡倉(續)

Long positions in share options of the Company:

於本公司購股權之好倉：

| Name of director         | Capacity and nature of interest       | Number of underlying shares held | Percentage of the Company's issued share capital |
|--------------------------|---------------------------------------|----------------------------------|--------------------------------------------------|
| 董事姓名                     | 身份及權益性質                               | 所持相關股份數目                         | 佔本公司已發行股本之百分比                                    |
| Mr. Yu Wai Man<br>余偉文先生  | Directly beneficially owned<br>直接實益擁有 | 1,024,000<br>(note 2)<br>(附註2)   | 0.22                                             |
| Mr. Wilson Ng<br>黃偉盛先生   | Directly beneficially owned<br>直接實益擁有 | 1,024,000<br>(note 2)<br>(附註2)   | 0.22                                             |
| Mr. Ng Wee Keat<br>黃偉傑先生 | Directly beneficially owned<br>直接實益擁有 | 1,024,000<br>(note 2)<br>(附註2)   | 0.22                                             |
| Mr. Ng Eng Leng<br>黃應麟先生 | Directly beneficially owned<br>直接實益擁有 | 1,024,000<br>(note 2)<br>(附註2)   | 0.22                                             |

Long positions in a convertible note of the Company:

於本公司可換股票據之好倉：

| Name of director         | Capacity and nature of interest  | Number of underlying shares held | Percentage of the Company's issued share capital |
|--------------------------|----------------------------------|----------------------------------|--------------------------------------------------|
| 董事姓名                     | 身份及權益性質                          | 所持相關股份數目                         | 佔本公司已發行股本之百分比                                    |
| Mr. Wilson Ng<br>黃偉盛先生   | Beneficiary of a trust<br>信託之受益人 | 120,567,375                      | 25.40                                            |
| Mr. Ng Wee Keat<br>黃偉傑先生 | Beneficiary of a trust<br>信託之受益人 | 120,567,375                      | 25.40                                            |

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

1. Vision Century Group Limited ("Vision Century"), a company incorporated in the British Virgin Islands and ultimately owned by a discretionary trust of which Mr. Wilson Ng and Mr. Ng Wee Keat are discretionary beneficiaries, is interested in 398,960,129 shares of the Company comprising of 278,392,754 shares and 120,567,375 underlying shares to be issued on assumption that the convertible note in the principal amount of HK\$17,000,000 as at 31 March 2007 will be converted into shares of the Company at the adjusted conversion price of HK\$0.141 per share. Further details of the convertible note are set out under the heading "Substantial shareholders' and other persons' interests in shares and underlying shares" below.
2. Each of the personal interests of Mr. Yu Wai Man, Mr. Wilson Ng, Mr. Ng Wee Keat and Mr. Ng Eng Leng is 1,024,000 underlying shares in respect of share options granted by the Company.

In addition to the above, as at 31 March 2007, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 31 March 2007, none of the directors had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### 董事於股份及相關股份之權益及淡倉(續)

附註：

1. Vision Century Group Limited (「Vision Century」) (為於英屬處女群島註冊成立之公司及最終由一個全權信託擁有，而黃偉盛先生及黃偉傑先生為該信託之全權受益人) 被視作擁有398,960,129股本公司股份之權益(包括278,392,754股股份及假設於二零零七年三月三十一日本金額17,000,000港元之可換股票據將按經調整換股價每股0.141港元被兌換為股份而發行120,567,375股相關股份)。可換股票據之進一步詳情載於下文「主要股東及其他人士於股份及相關股份之權益」一節。
2. 余偉文先生、黃偉盛先生、黃偉傑先生及黃應麟先生各自直接實益擁有之個人權益乃本公司授出購股權所涉及之1,024,000股相關股份之權益。

於二零零七年三月三十一日，除上文所述者外，若干董事就本公司之利益於若干附屬公司持有非實質個人股本權益，目的僅為符合最低公司股東成員人數之規定。

於二零零七年三月三十一日，除上文所披露者外，董事概無於本公司或其任何相聯法團之股份或相關股份中擁有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則之規定而須知會本公司及聯交所之權益或淡倉。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the disclosures under the heading "Director's interests and short positions in shares and underlying shares" above and the share option scheme disclosures in note 30 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SHARE OPTION SCHEME

Details of the share option scheme of the Company are set out in note 30 to the financial statements.

### 董事購買股份及債券之權利

除上文「董事於股份及相關股份之權益及淡倉」一節及財務報表附註30中購股權計劃一節內披露之事項外，於年內任何時間，並無授予任何董事或彼等各自之配偶或未成年子女可透過購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；同時，本公司、其任何控股公司、附屬公司及同系附屬公司概無訂立任何安排，致使董事可於任何其他法團獲得該等權利。

### 購股權計劃

有關本公司購股權計劃之詳情載於財務報表附註30。

## REPORT OF THE DIRECTORS 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2007, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

### 主要股東及其他人士於股份及相關股份之權益

於二零零七年三月三十一日，根據證券及期貨條例第336條規定本公司須存置之權益登記冊記錄，以下股東擁有本公司已發行股本5%以上權益：

好倉：

| Name                                   | Capacity and nature of interest                         | Number of ordinary shares held | Percentage of the Company's issued share capital<br>佔本公司已發行股本百分比 | Number of underlying shares held<br>所持相關股份數目 |
|----------------------------------------|---------------------------------------------------------|--------------------------------|------------------------------------------------------------------|----------------------------------------------|
| 姓名                                     | 身份及權益性質                                                 | 所持普通股數目                        | 發行股本百分比                                                          | 所持相關股份數目                                     |
| Huang Group (BVI) Limited*             | Through a controlled corporation<br>透過受控制公司             | 278,392,754                    | 58.65                                                            | 120,567,375*                                 |
| Huang Worldwide Holding Limited*       | Through a controlled corporation<br>透過受控制公司             | 278,392,754                    | 58.65                                                            | 120,567,375*                                 |
| Vision Century*                        | Directly owned<br>直接擁有                                  | 278,392,754                    | 58.65                                                            | 120,567,375*                                 |
| Mr. Kan Ka Chong, Frederick*<br>簡家聰先生* | As the trustee of a discretionary trust<br>作為一項全權信託之信託人 | 278,392,754                    | 58.65                                                            | 120,567,375*                                 |
| Mr. Ng (Huang) Cheow Leng*<br>黃昭麟先生*   | As the settlor of a discretionary trust<br>作為一項全權信託之授予人 | 278,392,754                    | 58.65                                                            | 120,567,375*                                 |
|                                        | Through a controlled corporation<br>透過受控制公司             | —                              | —                                                                | 41,920,941**                                 |
| Huang & Co. (Singapore) Pte. Ltd.**    | Directly beneficially owned<br>直接實益擁有                   | —                              | —                                                                | 41,920,941**                                 |
| New Century International Pte. Ltd.**  | Through a controlled corporation<br>透過受控制公司             | —                              | —                                                                | 41,920,941**                                 |
| Ms. Pea Baby**<br>白瑪妮女士**              | Through a controlled corporation<br>透過受控制公司             | —                              | —                                                                | 41,920,941**                                 |
| Ms. Loong Swee Choo**<br>梁瑞珠女士**       | Through a controlled corporation<br>透過受控制公司             | —                              | —                                                                | 41,920,941**                                 |

## REPORT OF THE DIRECTORS 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

### 主要股東及其他人士於股份及相關股份之權益(續)

- \* Vision Century is a wholly-owned subsidiary of Huang Worldwide Holding Limited, which is in turn wholly-owned by Huang Group (BVI) Limited. Huang Group (BVI) Limited is under discretionary trust, of which Mr. Ng (Huang) Cheow Leng is the settlor and Mr. Kan Ka Chong, Frederick is the trustee. Mr. Ng (Huang) Cheow Leng, Mr. Wilson Ng and Mr. Ng Wee Keat are discretionary beneficiaries of the said trust.
- \*\* Huang & Co (Singapore) Pte. Ltd. ("HCSPL") is wholly-owned by New Century International Pte. Ltd., which is owned by Mr. Ng (Huang) Cheow Leng, Ms. Pea Baby and Ms. Loong Swee Choo.
- \* Pursuant to the subscription agreement dated 15 February 2006 entered into between Vision Century and the Company, the Company issued a convertible note on 30 March 2006 in the principal amount of HK\$37,000,000 (the "Note") to Vision Century. On 1 March 2007 and 5 March 2007, two tranches of the Note of principal sum of HK\$10,000,000 each at the conversion price of HK\$0.141 per share, were converted into a total of 141,843,970 shares being issued. As at 31 March 2007, the outstanding principal amount of the Note was HK\$17,000,000 and as at the date hereof, the maximum number of ordinary shares of the Company to be issued in respect of the Note was 120,567,375.
- \*\* Pursuant to the sale and purchase agreement dated 22 November 2006 entered between HCSPL and Able Market Profits Limited, a wholly-owned subsidiary of the Company, the Company issued a convertible note on 28 February 2007 in the principal amount of HK\$7,126,560 at the initial conversion price of HK\$0.17 per share to HCSPL. Subsequent to the balance sheet date, on 17 April 2007, such convertible note was fully converted into 41,920,941 ordinary shares of the Company.
- \* Vision Century乃Huang Worldwide Holding Limited之全資附屬公司，而Huang Worldwide Holding Limited乃由Huang Group (BVI) Limited全資擁有。Huang Group (BVI) Limited乃由一項全權信託全資擁有。該全權信託之授予人為黃昭麟先生，而簡家驄先生為其信託人。黃昭麟先生、黃偉盛先生及黃偉傑先生均為該信託之全權受益人。
- \*\* Huang & Co (Singapore) Pte. Ltd. (「HCSPL」) 乃由New Century International Pte. Ltd.全資擁有，而New Century International Pte. Ltd.乃由黃昭麟先生、白瑪妮女士及梁瑞珠女士擁有。
- \* 根據Vision Century與本公司於二零零六年二月十五日訂立之認購協議，本公司於二零零六年三月三十日向Vision Century發行本金額37,000,000港元之可換股票據(「票據」)。於二零零七年三月一日及二零零七年三月五日，兩批本金額各自為10,000,000港元之票據已按換股價每股0.141港元，兌換為合共141,843,970股股份。於二零零七年三月三十一日，尚未償還之票據本金額為17,000,000港元，而於本報告日期，就票據將發行之本公司普通股最高數目為120,567,375股股份。
- \*\* 根據HCSPL與本公司之全資附屬公司Able Market Profits Limited於二零零六年十一月二十二日訂立之買賣協議，本公司於二零零七年二月二十八日向HCSPL發行本金額7,126,560港元及初步換股價為每股0.17港元之可換股票據。於結算日後，於二零零七年四月十七日，該可換股票據已全數兌換為41,920,941股本公司普通股。

## REPORT OF THE DIRECTORS 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

There are duplication of interests of 278,392,754 ordinary shares and 120,567,375 underlying shares in the Company among Huang Group (BVI) Limited, Huang Worldwide Holding Limited, Vision Century, Mr. Ng (Huang) Cheow Leng and Mr. Kan Ka Chong, Frederick; and of 41,920,941 underlying shares in the Company among Huang & Co (Singapore) Pte. Ltd., New Century International Pte. Ltd., Mr. Ng (Huang) Cheow Leng, Ms. Pea Baby and Ms. Loong Swee Choo.

Save as disclosed above, as at 31 March 2007, no person, other than Mr. Wilson Ng and Mr. Ng Wee Keat, two directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

- (a) On 20 February 2004, the Group entered into a shareholders' agreement (the "Xin Procurement Agreement") with HCSPL, a company incorporated in Singapore with limited liability, to form Xin Procurement & Trading Pte. Ltd. ("Xin Procurement"), a company incorporated in Singapore with limited liability. HCSPL is wholly-owned by New Century International, a company incorporated in Singapore with limited liability. New Century International is in turn wholly-owned by the parents of Mr. Wilson Ng and Mr. Ng Wee Keat, both are the executive directors of the Company and directors of HCSPL. Pursuant to the Xin Procurement Agreement, the Group and HCSPL owned 51% and 49% of equity interests in Xin Procurement, respectively.

### 主要股東及其他人士於股份及相關股份之權益(續)

Huang Group (BVI) Limited、Huang Worldwide Holding Limited、Vision Century、黃昭麟先生及簡家驄先生所擁有之本公司278,392,754股普通股及120,567,375股相關股份權益屬同一批權益；而Huang & Co (Singapore) Pte. Ltd.、New Century International Pte. Ltd.、黃昭麟先生、白瑪妮女士及梁瑞珠女士所擁有之本公司41,920,941股相關股份權益屬同一批權益。

於二零零七年三月三十一日，除上文所披露者外，並無任何人士(不包括兩位本公司董事，其權益載於上文「董事於股份及相關股份之權益及淡倉」一節)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

### 關連交易及持續關連交易

年內，本公司及本集團曾進行以下關連及持續關連交易，若干有關詳情乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章之規定予以披露。

- (a) 於二零零四年二月二十日，本集團與一間在新加坡註冊成立之有限公司HCSPL訂立一份股東協議(「Xin Procurement協議」)，以成立一間於新加坡註冊成立之有限公司—Xin Procurement & Trading Pte. Ltd.(「Xin Procurement」)。HCSPL乃由一間在新加坡註冊成立之有限公司New Century International全資擁有。New Century International則由黃偉盛先生及黃偉傑先生(兩位均為本公司執行董事及HCSPL董事)之父母全資擁有。根據Xin Procurement協議，本集團及HCSPL分別擁有Xin Procurement之51%及49%股本權益。



## REPORT OF THE DIRECTORS 董事會報告

### CONNECTED AND CONTINUING CONNECTED TRANSACTIONS (continued)

(a) (continued)

On 28 February 2007, the Group acquired an additional 24% interest in Xin Procurement and the rights of and benefits in a shareholder's loan of S\$120,000 (equivalent to HK\$618,000) from HCSPL, at a consideration of HK\$7,126,560 (the "Acquisition"). Upon completion of the Acquisition, the Group holds 75% interest in Xin Procurement and HCSPL holds the remaining 25% interest therein. The consideration of the Acquisition was settled by issuing a 1% convertible note of principal amount of HK\$7,126,560 by the Company to HCSPL.

By virtue of the interests of the parents of Mr. Wilson Ng and Mr. Ng Wee Keat in HCSPL, the Acquisition constituted a connected transaction for the Company under the Listing Rules, details of which have been disclosed in the Company's circular dated 29 January 2007.

On 20 February 2004, Xin Procurement entered into a supply agreement (the "Supply Agreement") with HCSPL whereby Xin Procurement has been appointed as a supplier to HCSPL for the supply of certain office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering.

The contract terms have been reviewed by the executive directors of the Company, who consider that the transactions were: (i) in the ordinary and usual course of the business of the Group; (ii) in the interests of the Company; and (iii) on normal commercial terms that are fair and reasonable as far as the shareholders of the Company are concerned. By virtue of the interests of the parents of Mr. Wilson Ng and Mr. Ng Wee Keat in HCSPL, the transactions contemplated under the Supply Agreement constituted continuing connected transactions of the Company under the Listing Rules, details of which have been disclosed in the Company's circular dated 12 March 2004. The continuing connected transactions were approved by independent shareholders of the Company on the special general meeting held on 29 March 2004 with an annual cap of S\$7.5 million (approximately HK\$34.5 million) for each of the three financial years ended 31 March 2007. During the year, Xin Procurement made sales to HCSPL amounting to HK\$2,791,000.

### 關連交易及持續關連交易(續)

(a) (續)

於二零零七年二月二十八日，本集團向HCSPL收購於Xin Procurement之額外24%權益及股東貸款120,000坡元(相等於618,000港元)之權利及利益，代價為7,126,560港元(「收購事項」)。於收購事項完成時，本集團持有Xin Procurement之75%權益，而HCSPL則持有其餘下25%權益。收購事項之代價由本公司向HCSPL發行本金額7,126,560港元之一厘息可換股票據支付。

鑒於黃偉盛先生及黃偉傑先生之父母於HCSPL之權益，根據上市規則，收購事項構成本公司之關連交易，有關詳情已在本公司於二零零七年一月二十九日之通函內披露。

於二零零四年二月二十日，Xin Procurement與HCSPL訂立一份供應協議(「供應協議」)，據此，Xin Procurement已獲委任為HCSPL供應若干辦公室設備及辦公室用品、遠洋郵輪使用之機器、機械零件、機油及燃料之供應商。

合約條款已經本公司之執行董事審閱，本公司之執行董事認為該等交易(i)乃於本集團之一般及日常業務過程中進行；(ii)符合本公司之利益；及(iii)乃按正常商業條款訂立，而該等條款對本公司股東而言屬公平合理。根據上市規則，鑑於黃偉盛先生及黃偉傑先生之父母於HCSPL之權益，根據供應協議擬進行之交易構成本公司之持續關連交易，有關詳情已於二零零四年三月十二日之本公司通函內披露。持續關連交易已經由本公司之獨立股東於二零零四年三月二十九日舉行之股東特別大會上批准，而截至二零零七年三月三十一日止三個財政年度各年之年度上限為7,500,000坡元(約34,500,000港元)。年內，Xin Procurement與HCSPL之銷售為2,791,000港元。



## REPORT OF THE DIRECTORS 董事會報告

### CONNECTED AND CONTINUING CONNECTED TRANSACTIONS (continued)

(a) (continued)

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have confirmed that the continuing connected transactions have complied with the matters as set out in Rule 14A.38 of the Listing Rules.

- (b) On 30 March 2006, the Company issued a convertible note in the principal amount of HK\$37,000,000, as part of the consideration for the release and discharge of the Group from all of its obligations and liabilities in respect of a loan advanced by Vision Century. Vision Century has the right to convert the outstanding principal amount of the convertible note into shares at any time before 29 March 2009 at the initial conversion price of HK\$0.205 per conversion share, which was adjusted to HK\$0.141 per conversion share to reflect the Company's open offer made on 16 October 2006. The convertible note carries interest at a rate of 1% per annum, which is payable semi-annually in arrears on 31 March and 30 September. Vision Century converted HK\$10,000,000 and HK\$10,000,000 of the convertible note into ordinary shares of the Company on 1 March 2007 and 5 March 2007, respectively. At 31 March 2007, the outstanding principal amount of the convertible note was HK\$17,000,000.

### 關連交易及持續關連交易(續)

(a) (續)

本公司獨立非執行董事已審閱上文所載之持續關連交易，並確認該等持續關連交易乃(i)於本集團正常及日常業務過程中；(ii)按一般商業條款或對本集團而言不遜於提供予獨立第三方之條款；及(iii)根據規管交易之相關協定依照屬公平合理並符合本公司股東整體利益之條款訂立。

本公司核數師已確認持續關連交易符合上市規則第14A.38條所載之事宜。

- (b) 於二零零六年三月三十日，本公司發行本金額37,000,000港元之可換股票據，作為解除及免除本集團就Vision Century所墊付貸款而承擔之一切責任及負債之部分代價。Vision Century有權於二零零九年三月二十九日前隨時將可換股票據結欠之本金額按初步換股價每股兌換股份0.205港元轉換為股份，而換股價已調整至每股兌換股份0.141港元，以反映於二零零六年十月十六日進行之本公司公開發售。可換股票據按年利率一厘計息，須於每年三月三十一日及九月三十日每半年到期時支付一次。Vision Century已分別於二零零七年三月一日及二零零七年三月五日轉換10,000,000港元及10,000,000港元之可換股票據為本公司普通股。於二零零七年三月三十一日，尚未償還之可換股票據本金額為17,000,000港元。

## REPORT OF THE DIRECTORS 董事會報告

### CONNECTED AND CONTINUING CONNECTED TRANSACTIONS (continued)

- (c) Pursuant to the Xin Procurement Agreement, HCSPL had advanced funds to Xin Procurement as the working capital. As at 31 March 2007, the outstanding balance owed by Xin Procurement to HCSPL was HK\$644,000. The terms of the advance are set out in note 25 to the financial statements.
- (d) During the year, HCSPL made advances of HK\$2,857,000 to Xin Procurement. As at 31 March 2007, the outstanding balance owed to HCSPL by Xin Procurement amounted to HK\$48,241,000 are unsecured, interest-free and have no fixed terms of repayment.
- (e) During the year, a management fee of HK\$600,000 was charged by HCSPL in respect of certain administrative services rendered to the Group. The management fee was determined between the Group and HCSPL.
- (f) During the year, HCSPL paid HK\$1,584,000 to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering.
- (g) During the year, Huang Procurement Pte. Ltd., a wholly-owned subsidiary of HCSPL, paid HK\$36,206,000 to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering.

Save as disclosed above, there are no transactions which would need to be disclosed as connected and continuing connected transactions in accordance with the requirements of the Listing Rules.

### 關連交易及持續關連交易(續)

- (c) 根據Xin Procurement協議，HCSPL墊付資金予Xin Procurement作為營運資本。於二零零七年三月三十一日，Xin Procurement結欠HCSPL之尚未償還結餘為644,000港元。有關墊款之條款載於財務報表附註25。
- (d) 年內，HCSPL墊付2,857,000港元予Xin Procurement。於二零零七年三月三十一日，Xin Procurement結欠HCSPL之結餘為48,241,000港元，該筆款項乃無抵押、免息及無固定還款期。
- (e) 年內，HCSPL就提供予本集團之若干管理服務收取管理費600,000港元，有關管理費由本集團與HCSPL釐定。
- (f) 年內，HCSPL就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付1,584,000港元。
- (g) 年內，HCSPL之全資附屬公司Huang Procurement Pte. Ltd.就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付36,206,000港元。

除上文所披露者外，概無交易須根據上市規則之規定作為關連及持續關連交易予以披露。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent the interests of the Company and/or the Group.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

### POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 38 to the financial statements.

### AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**Lo Ming Chi, Charles**  
*Chairman*

Hong Kong  
25 July 2007

### 董事於競爭業務之權益

於年內及截至本年報日期為止，董事概無於現時或可能會與本集團業務進行直接或間接競爭之業務中擁有權益（定義見上市規則），惟本公司董事被委任作為董事以代表本公司及／或本集團利益之業務除外。

### 足夠公眾持股量

按照本公司所得之公開資料及就董事所知悉，於本報告日期，公眾人士持有本公司之已發行股本總額最少25%。

### 結算日後事項

本集團之重大結算日後事項詳情載於財務報表附註38。

### 核數師

安永會計師事務所任期屆滿，本公司將於即將舉行之股東週年大會上提呈決議案重新委任其為本公司之核數師。

代表董事會

主席  
勞明智

香港  
二零零七年七月二十五日

## INDEPENDENT AUDITORS' REPORT 獨立核數師報告



To the shareholders of Xin Corporation Limited  
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Xin Corporation Limited set out on pages 37 to 120, which comprise the consolidated and company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致新創綜合企業有限公司全體股東  
(於百慕達註冊成立的有限公司)

我們已審核載於第37頁至120頁的新創綜合企業有限公司財務報表，此財務報表包括二零零七年三月三十一日的綜合資產負債表和公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動表、綜合現金流量表以及主要會計政策和其他附注解釋。

### 董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則和香港公司條例之披露規定編制並且真實而公允地列報該等財務報表。這些責任包括設計、實施和維護真實而公允地編制及列報財務報表之相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和運用恰當的會計政策；及做出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核結果對該等財務報表作出意見。我們的報告依據一九八一年百慕達公司法第90條之規定僅為全體股東編制，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

## INDEPENDENT AUDITORS' REPORT 獨立核數師報告

### AUDITORS' RESPONSIBILITY (continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the Group's result and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

#### Ernst & Young

*Certified Public Accountants*

18th Floor, Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

25 July 2007

### 核數師的責任(續)

我們已根據香港會計師公會頒佈的香港審計準則的規定執行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核，從而獲得合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額和披露資料的審核證據。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制及真實而公允地列報財務報表相關的內部控制，以設計適當的審核程序，但並非對公司的內部控制的有效性發表意見。審核亦包括評價董事所採用的會計政策的合適性及作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核證據充足且適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等財務報表已根據香港財務報告準則真實而公允地反映公司和集團於二零零七年三月三十一日的財務狀況及截至該日止年度的集團業績和現金流量，並已按照香港公司條例之披露規定妥為編制。

#### 安永會計師事務所

*執業會計師*

香港  
中環金融街8號  
國際金融中心二期18樓

二零零七年七月二十五日

## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

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

|                                                                       |                   | Notes<br>附註 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|-----------------------------------------------------------------------|-------------------|-------------|----------------------------------|----------------------------------|
| <b>CONTINUING OPERATIONS</b>                                          | <b>持續經營業務</b>     |             |                                  |                                  |
| REVENUE                                                               | 收入                | 5           | 193,989                          | 155,550                          |
| Cost of sales                                                         | 銷售成本              |             | (168,509)                        | (136,723)                        |
| Gross profit                                                          | 毛利                |             | 25,480                           | 18,827                           |
| Other income and gains                                                | 其他收入及收益           | 5           | 2,080                            | 1,431                            |
| Selling and distribution costs                                        | 銷售及分銷開支           |             | (248)                            | (296)                            |
| Administrative expenses                                               | 行政開支              |             | (17,499)                         | (12,989)                         |
| Other expenses                                                        | 其他開支              |             | (1,897)                          | (1,660)                          |
| Finance costs                                                         | 融資成本              | 6           | (4,273)                          | (4,620)                          |
| PROFIT BEFORE TAX                                                     | 除稅前溢利             | 7           | 3,643                            | 693                              |
| Tax                                                                   | 稅項                | 10          | (3,553)                          | (3,172)                          |
| PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS                 | 持續經營業務之本年度溢利／(虧損) |             | 90                               | (2,479)                          |
| <b>DISCONTINUED OPERATIONS</b>                                        | <b>已終止經營業務</b>    |             |                                  |                                  |
| Loss for the year from discontinued operations                        | 已終止經營業務之本年度虧損     | 11          | -                                | (7,855)                          |
| PROFIT/(LOSS) FOR THE YEAR                                            | 本年度溢利／(虧損)        |             | 90                               | (10,334)                         |
| Attributable to:                                                      | 以下人士應佔：           |             |                                  |                                  |
| Equity holders of the Company                                         | 本公司權益持有人          | 12          | (7,904)                          | (15,994)                         |
| Minority interests                                                    | 少數股東權益            |             | 7,994                            | 5,660                            |
|                                                                       |                   |             | 90                               | (10,334)                         |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY | 本公司普通股權益持有人應佔每股虧損 | 13          |                                  |                                  |
| Basic                                                                 | 基本                |             |                                  |                                  |
| - For loss for the year                                               | - 本年度虧損           |             | (HK3.6 cents港仙)                  | (HK15.1 cents港仙)                 |
| - For loss from continuing operations                                 | - 持續經營業務之虧損       |             | (HK3.6 cents港仙)                  | (HK8.0 cents港仙)                  |
| Diluted                                                               | 攤薄                |             |                                  |                                  |
| - For loss for the year                                               | - 本年度虧損           |             | N/A不適用                           | N/A不適用                           |
| - For loss from continuing operations                                 | - 持續經營業務之虧損       |             | N/A不適用                           | N/A不適用                           |

## CONSOLIDATED BALANCE SHEET

### 綜合資產負債表

31 March 2007 二零零七年三月三十一日

|                                              |                    | Notes<br>附註 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------------------|--------------------|-------------|----------------------------------|----------------------------------|
| <b>NON-CURRENT ASSETS</b>                    | <b>非流動資產</b>       |             |                                  |                                  |
| Property, plant and equipment                | 物業、廠房及設備           | 14          | 163                              | 268                              |
| Investment properties                        | 投資物業               | 15          | 20,188                           | 21,437                           |
| Prepaid land lease payments                  | 預付土地租賃款項           | 16          | 31,124                           | 29,816                           |
| Goodwill                                     | 商譽                 | 17          | 6,478                            | —                                |
| <b>Total non-current assets</b>              | <b>非流動資產總額</b>     |             | <b>57,953</b>                    | <b>51,521</b>                    |
| <b>CURRENT ASSETS</b>                        | <b>流動資產</b>        |             |                                  |                                  |
| Inventories                                  | 存貨                 | 19          | 1,970                            | 2,073                            |
| Accounts receivable                          | 應收賬款               | 20          | 75,869                           | 57,691                           |
| Prepaid land lease payments                  | 預付土地租賃款項           | 16          | 779                              | 728                              |
| Prepayments, deposits and other receivables  | 預付款項、按金及其他應收賬款     |             | 1,105                            | 871                              |
| Cash and cash equivalents                    | 現金及現金等值物           | 21          | 29,255                           | 5,123                            |
| <b>Total current assets</b>                  | <b>流動資產總額</b>      |             | <b>108,978</b>                   | <b>66,486</b>                    |
| <b>CURRENT LIABILITIES</b>                   | <b>流動負債</b>        |             |                                  |                                  |
| Accounts and bills payable                   | 應付賬款及應付票據          | 22          | 21,019                           | 12,925                           |
| Tax payable                                  | 應繳稅項               |             | 3,659                            | 3,172                            |
| Other payables and accruals                  | 其他應付賬款及應計款項        | 23          | 22,982                           | 22,495                           |
| Interest-bearing bank and other borrowings   | 計息銀行借款及其他借款        | 24          | 12,079                           | 17,884                           |
| Loan from a minority shareholder             | 一位少數股東提供之貸款        | 25          | 644                              | 1,127                            |
| Due to a minority shareholder                | 應付一位少數股東款項         | 26          | 48,241                           | 25,704                           |
| Due to a related company                     | 應付一間關連公司款項         | 26          | 18                               | 543                              |
| <b>Total current liabilities</b>             | <b>流動負債總額</b>      |             | <b>108,642</b>                   | <b>83,850</b>                    |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      | <b>流動資產/(負債)淨額</b> |             | <b>336</b>                       | <b>(17,364)</b>                  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <b>總資產減流動負債</b>    |             | <b>58,289</b>                    | <b>34,157</b>                    |
| <b>NON-CURRENT LIABILITIES</b>               | <b>非流動負債</b>       |             |                                  |                                  |
| Convertible notes                            | 可換股票據              | 27          | 19,536                           | 26,674                           |
| <b>Total non-current liabilities</b>         | <b>非流動負債總額</b>     |             | <b>19,536</b>                    | <b>26,674</b>                    |
| <b>Net assets</b>                            | <b>資產淨額</b>        |             | <b>38,753</b>                    | <b>7,483</b>                     |

## CONSOLIDATED BALANCE SHEET 綜合資產負債表

31 March 2007 二零零七年三月三十一日

|                                                                                            |                                      | Notes<br>附註 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|--------------------------------------------------------------------------------------------|--------------------------------------|-------------|----------------------------------|----------------------------------|
| <b>EQUITY</b>                                                                              | <b>權益</b>                            |             |                                  |                                  |
| <b>Equity/(deficiency in assets)<br/>attributable to equity holders<br/>of the Company</b> | <b>本公司權益持有人<br/>應佔權益/<br/>(資產虧損)</b> |             |                                  |                                  |
| Issued capital                                                                             | 已發行股本                                | 29          | 4,747                            | 827                              |
| Equity component of convertible notes                                                      | 可換股票據之權益部分                           |             | 6,035                            | 10,344                           |
| Reserves/(deficits)                                                                        | 儲備/(虧絀)                              | 31(a)       | 27,283                           | (13,295)                         |
|                                                                                            |                                      |             | <b>38,065</b>                    | <b>(2,124)</b>                   |
| <b>Minority interests</b>                                                                  | <b>少數股東權益</b>                        |             | <b>688</b>                       | <b>9,607</b>                     |
| <b>Total equity</b>                                                                        | <b>權益總額</b>                          |             | <b>38,753</b>                    | <b>7,483</b>                     |

Lo Ming Chi, Charles  
 勞明智  
 Chairman  
 主席

Yu Wai Man  
 余偉文  
 Director  
 董事



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Attributable to equity holders of the Company

本公司權益持有人應佔

|                                                                                    | Notes | Equity component |                       |                     |                                |                              |                      |                    |          | Minority interests | Total equity |
|------------------------------------------------------------------------------------|-------|------------------|-----------------------|---------------------|--------------------------------|------------------------------|----------------------|--------------------|----------|--------------------|--------------|
|                                                                                    |       | Issued capital   | Share premium account | Contributed surplus | of convertible notes and bonds | Exchange fluctuation reserve | Share option reserve | Accumulated losses | Total    |                    |              |
|                                                                                    |       | 已發行股本            | 股份溢價賬                 | 實繳盈餘                | 可換股票據及債券之權益部份                  | 滙率波動儲備                       | 購股權儲備                | 累積虧損               | 合計       | 少數股東權益             | 總權益          |
|                                                                                    |       | HK\$'000         | HK\$'000              | 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      | 千港元                | 千港元          |
| At 1 April 2005                                                                    |       | 16,541           | 59,030*               | -*                  | 517                            | -*                           | -*                   | (73,038)*          | 3,050    | 2,395              | 5,445        |
| Exchange difference on translation of the financial statements of foreign entities |       | -                | -                     | -                   | -                              | 10                           | -                    | -                  | 10       | -                  | 10           |
| Total income and expense for the year recognised directly in equity                |       | -                | -                     | -                   | -                              | 10                           | -                    | -                  | 10       | -                  | 10           |
| Loss for the year                                                                  |       | -                | -                     | -                   | -                              | -                            | -                    | (15,994)           | (15,994) | 5,660              | (10,334)     |
| Total income and expense for the year                                              |       | -                | -                     | -                   | -                              | 10                           | -                    | (15,994)           | (15,984) | 5,660              | (10,324)     |
| Capital reduction                                                                  | 29(a) | (15,714)         | -                     | 15,714              | -                              | -                            | -                    | -                  | -        | -                  | -            |
| Share premium cancellation                                                         | 29(a) | -                | (59,030)              | 59,030              | -                              | -                            | -                    | -                  | -        | -                  | -            |
| Elimination of accumulated losses                                                  | 29(a) | -                | -                     | (71,659)            | -                              | -                            | -                    | 71,659             | -        | -                  | -            |
| Equity-settled share option arrangements                                           |       | -                | -                     | -                   | -                              | -                            | 466                  | -                  | 466      | -                  | 466          |
| Share options lapsed during the year                                               |       | -                | -                     | -                   | -                              | -                            | (9)                  | 9                  | -        | -                  | -            |
| Disposal of subsidiaries                                                           | 32(b) | -                | -                     | -                   | -                              | -                            | -                    | -                  | -        | 1,552              | 1,552        |
| Redemption of convertible bonds                                                    |       | -                | -                     | -                   | (517)                          | -                            | -                    | 517                | -        | -                  | -            |
| Issue of convertible note                                                          | 27    | -                | -                     | -                   | 10,344                         | -                            | -                    | -                  | 10,344   | -                  | 10,344       |
| At 31 March 2006                                                                   |       | 827              | -*                    | 3,085*              | 10,344                         | 10*                          | 457*                 | (16,847)*          | (2,124)  | 9,607              | 7,483        |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

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

Attributable to equity holders of the Company

本公司權益持有人應佔

|                                                                                    | Notes | Equity         |                       |                     |                                       |                              |                      |                    | Total    | Minority interests | Total equity |
|------------------------------------------------------------------------------------|-------|----------------|-----------------------|---------------------|---------------------------------------|------------------------------|----------------------|--------------------|----------|--------------------|--------------|
|                                                                                    |       | Issued capital | Share premium account | Contributed surplus | Equity component of convertible notes | Exchange fluctuation reserve | Share option reserve | Accumulated losses |          |                    |              |
|                                                                                    |       | 已發行股本          | 股份溢價賬                 | 實繳盈餘                | 可換股票據之權益部份                            | 波動儲備                         | 購股權儲備                | 累積虧損               | 合計       | 股東權益               | 總權益          |
|                                                                                    |       | HK\$'000       | HK\$'000              | 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      | 千港元                | 千港元          |
| At 1 April 2006                                                                    |       | 827            | -                     | 3,085               | 10,344                                | 10                           | 457                  | (16,847)           | (2,124)  | 9,607              | 7,483        |
| Exchange difference on translation of the financial statements of foreign entities |       | -              | -                     | -                   | -                                     | 2,399                        | -                    | -                  | 2,399    | 874                | 3,273        |
| Total income and expense for the year recognised directly in equity                |       | -              | -                     | -                   | -                                     | 2,399                        | -                    | -                  | 2,399    | 874                | 3,273        |
| Profit/(loss) for the year                                                         |       | -              | -                     | -                   | -                                     | -                            | -                    | (7,904)            | (7,904)  | 7,994              | 90           |
| Total income and expense for the year                                              |       | -              | -                     | -                   | -                                     | 2,399                        | -                    | (7,904)            | (5,505)  | 8,868              | 3,363        |
| Acquisition of minority interests                                                  |       | -              | -                     | -                   | -                                     | -                            | -                    | -                  | -        | (30)               | (30)         |
| Dividend declared to a minority shareholder                                        |       | -              | -                     | -                   | -                                     | -                            | -                    | -                  | -        | (17,757)           | (17,757)     |
| Shares issued on an open offer                                                     | 29(b) | 2,481          | 27,292                | -                   | -                                     | -                            | -                    | -                  | 29,773   | -                  | 29,773       |
| Conversion of convertible note                                                     | 29(c) | 1,418          | 20,106                | -                   | (5,591)                               | -                            | -                    | -                  | 15,933   | -                  | 15,933       |
| Share options exercised during the year                                            | 29(d) | 21             | 602                   | -                   | -                                     | -                            | (152)                | -                  | 471      | -                  | 471          |
| Share issue expenses                                                               | 29    | -              | (1,765)               | -                   | -                                     | -                            | -                    | -                  | (1,765)  | -                  | (1,765)      |
| Issue of convertible note                                                          | 27    | -              | -                     | -                   | 1,282                                 | -                            | -                    | -                  | 1,282    | -                  | 1,282        |
| At 31 March 2007                                                                   |       | 4,747          | 46,235*               | 3,085*              | 6,035                                 | 2,409*                       | 305*                 | (24,751)*          | 38,065   | 688                | 38,753       |

\* These reserve accounts comprise the consolidated reserves of HK\$27,283,000 (2006: deficits of HK\$13,295,000) in the consolidated balance sheet.

\* 該等儲備賬包括綜合資產負債表中之綜合儲備 27,283,000 港元 (二零零六年: 虧絀 13,295,000 港元)。

## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

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

|                                                                       |                            |             | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|-----------------------------------------------------------------------|----------------------------|-------------|----------------------------------|----------------------------------|
|                                                                       |                            | Notes<br>附註 |                                  |                                  |
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b>                       | <b>經營業務之<br/>現金流量</b>      |             |                                  |                                  |
| Profit/(loss) before tax                                              | 除稅前溢利／（虧損）                 |             |                                  |                                  |
| From continuing operations                                            | 來自持續經營業務                   |             | 3,643                            | 693                              |
| From discontinued operations                                          | 來自已終止經營業務                  |             | -                                | (7,855)                          |
| Adjustments for:                                                      | 就下列各項之調整：                  |             |                                  |                                  |
| Finance costs                                                         | 融資成本                       | 6           | 4,273                            | 4,649                            |
| Interest income                                                       | 利息收入                       | 5           | (372)                            | (267)                            |
| Gains on disposal of items of<br>property, plant and equipment        | 出售物業、廠房及設備<br>項目之收益        | 5           | (157)                            | (23)                             |
| Equity-settled share option expenses                                  | 以權益結算之購股權開支                | 7, 8        | -                                | 466                              |
| Impairment of items of property,<br>plant and equipment               | 物業、廠房及設備項目<br>之減值          | 7           | -                                | 3,873                            |
| Impairment of investment properties                                   | 投資物業之減值                    | 7           | 446                              | -                                |
| Write-back of provision against<br>inventories                        | 存貨之撥備<br>撥回                | 7           | -                                | (485)                            |
| Depreciation of items of property,<br>plant and equipment             | 物業、廠房及設備項目<br>之折舊          | 7           | 146                              | 4,285                            |
| Depreciation of investment properties                                 | 投資物業之折舊                    | 7           | 2,312                            | 430                              |
| Recognition of prepaid land<br>lease payments                         | 確認預付土地<br>租賃款項             | 7           | 779                              | 728                              |
| Gain on disposal of subsidiaries                                      | 出售附屬公司之收益                  | 32(b)       | -                                | (66)                             |
|                                                                       |                            |             | <b>11,070</b>                    | <b>6,428</b>                     |
| Decrease/(increase) in inventories                                    | 存貨之減少／（增加）                 |             | 103                              | (824)                            |
| Increase in accounts receivable                                       | 應收賬款之增加                    |             | (18,178)                         | (20,540)                         |
| Decrease/(increase) in prepayments,<br>deposits and other receivables | 預付款項、按金及其他應收<br>賬款之減少／（增加） |             | (234)                            | 596                              |
| Increase/(decrease) in accounts<br>and bills payable                  | 應付賬款及應付票據之<br>增加／（減少）      |             | 8,094                            | (6,246)                          |
| Increase/(decrease) in other<br>payables and accruals                 | 其他應付賬款及應計款項<br>之增加／（減少）    |             | 402                              | 864                              |
| Increase/(decrease) in an amount<br>due to a related company          | 應付一間關連公司款項之<br>增加／（減少）     |             | (525)                            | 543                              |
| Exchange realignment                                                  | 匯兌調整                       |             | (265)                            | -                                |

## CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

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

|                                                                  |                    |             | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------|--------------------|-------------|----------------------------------|----------------------------------|
|                                                                  |                    | Notes<br>附註 |                                  |                                  |
| Cash generated from/(used in) operations                         | 經營業務產生/(動用)之現金     |             | 467                              | (19,179)                         |
| Overseas taxes paid                                              | 已付海外稅項             |             | (3,066)                          | (1,608)                          |
| Net cash outflow from operating activities                       | 經營業務現金流出淨額         |             | (2,599)                          | (20,787)                         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      | <b>投資活動之現金流量</b>   |             |                                  |                                  |
| Interest received                                                | 已收利息               |             | 372                              | 267                              |
| Purchases of items of property, plant and equipment              | 購置物業、廠房及設備項目       | 14          | (15)                             | (481)                            |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目所得款項   |             | 157                              | 23                               |
| Disposal of subsidiaries                                         | 出售附屬公司             | 32(b)       | -                                | 2,707                            |
| Increase in time deposit                                         | 定期存款之增加            | 21          | (1,030)                          | -                                |
| Net cash inflow/(outflow) from investing activities              | 投資活動之現金流入/(流出)淨額   |             | (516)                            | 2,516                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      | <b>融資活動之現金流量</b>   |             |                                  |                                  |
| Proceeds from issue of shares                                    | 發行股份所得款項           | 29(b)       | 29,773                           | -                                |
| Proceeds from exercise of share options                          | 行使購股權所得款項          | 29(d)       | 471                              | -                                |
| Share issue expenses                                             | 股份發行開支             | 29          | (1,765)                          | -                                |
| Increase in trust receipt loans                                  | 信託收據貸款之增加          |             | 529                              | -                                |
| Repayment of bank loans                                          | 償還銀行貸款             |             | (4,334)                          | (4,413)                          |
| Repayment of other loan                                          | 償還其他貸款             |             | (2,000)                          | (6,500)                          |
| Repayment of loans from the immediate holding company            | 償還直接控股公司提供之貸款      |             | -                                | (3,150)                          |
| Drawdown of a loan from a director of a subsidiary               | 提取一間附屬公司之一位董事提供之貸款 |             | -                                | 4,650                            |
| Increase in an amount due to a minority shareholder              | 應付一位少數股東款項之增加      |             | 4,780                            | 13,061                           |
| Redemption of convertible bonds                                  | 贖回可換股債券            |             | -                                | (2,167)                          |
| Interest paid                                                    | 已付利息               |             | (1,237)                          | (2,097)                          |

## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

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

|                                                      |                         | Notes<br>附註 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|------------------------------------------------------|-------------------------|-------------|----------------------------------|----------------------------------|
| Net cash inflow/(outflow) from financing activities  | 融資活動之現金流入／<br>(流出) 淨額   |             | 26,217                           | (616)                            |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等值物之增加／<br>(減少) 淨額 |             | 23,102                           | (18,887)                         |
| Cash and cash equivalents at beginning of year       | 年初之現金及現金等值物             |             | 5,123                            | 24,000                           |
| Effect of foreign exchange rates changes             | 匯率變動之<br>影響             |             | -                                | 10                               |
| CASH AND CASH EQUIVALENTS AT END OF YEAR             | 年終之現金及<br>現金等值物         |             | 28,225                           | 5,123                            |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS    | 現金及現金等值物結餘<br>分析        |             |                                  |                                  |
| Cash and bank balances                               | 現金及銀行結餘                 | 21          | 28,225                           | 5,123                            |

**BALANCE SHEET**  
**資產負債表**

31 March 2007 二零零七年三月三十一日

|                                              |                    | Notes<br>附註 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------------------|--------------------|-------------|----------------------------------|----------------------------------|
| <b>NON-CURRENT ASSETS</b>                    | <b>非流動資產</b>       |             |                                  |                                  |
| Property, plant and equipment                | 物業、廠房及設備           | 14          | 9                                | 12                               |
| Investments in subsidiaries                  | 於附屬公司之投資           | 18          | -                                | -                                |
| <b>Total non-current assets</b>              | <b>非流動資產總額</b>     |             | <b>9</b>                         | <b>12</b>                        |
| <b>CURRENT ASSETS</b>                        | <b>流動資產</b>        |             |                                  |                                  |
| Due from a subsidiary                        | 應收一間附屬公司款項         | 18          | 8,114                            | -                                |
| Prepayments, deposits and other receivables  | 預付款項、按金及其他應收賬款     |             | 357                              | 231                              |
| Cash and bank balances                       | 現金及銀行結餘            |             | 24,827                           | 796                              |
| <b>Total current assets</b>                  | <b>流動資產總額</b>      |             | <b>33,298</b>                    | <b>1,027</b>                     |
| <b>CURRENT LIABILITIES</b>                   | <b>流動負債</b>        |             |                                  |                                  |
| Other payables and accruals                  | 其他應付賬款及應計款項        | 23          | 1,878                            | 2,349                            |
| Interest-bearing bank and other borrowings   | 計息銀行借款及其他借款        | 24          | -                                | 2,000                            |
| <b>Total current liabilities</b>             | <b>流動負債總額</b>      |             | <b>1,878</b>                     | <b>4,349</b>                     |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      | <b>流動資產/(負債)淨值</b> |             | <b>31,420</b>                    | <b>(3,322)</b>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <b>總資產減流動負債</b>    |             | <b>31,429</b>                    | <b>(3,310)</b>                   |
| <b>NON-CURRENT LIABILITIES</b>               | <b>非流動負債</b>       |             |                                  |                                  |
| Convertible notes                            | 可換股票據              | 27          | 19,536                           | 26,674                           |
| <b>Total non-current liabilities</b>         | <b>非流動負債總額</b>     |             | <b>19,536</b>                    | <b>26,674</b>                    |
|                                              |                    |             | <b>11,893</b>                    | <b>(29,984)</b>                  |
| <b>Net assets/(liabilities)</b>              | <b>資產/(負債)淨額</b>   |             |                                  |                                  |
| <b>EQUITY/(DEFICIENCY IN ASSETS)</b>         | <b>權益/(資產虧損)</b>   |             |                                  |                                  |
| Issued capital                               | 已發行股本              | 29          | 4,747                            | 827                              |
| Equity component of convertible notes        | 可換股票據之權益部份         |             | 6,035                            | 10,344                           |
| Reserves/(deficits)                          | 儲備/(虧絀)            | 31(b)       | 1,111                            | (41,155)                         |
| <b>Total equity/(deficiency in assets)</b>   | <b>權益/(資產虧損)總額</b> |             | <b>11,893</b>                    | <b>(29,984)</b>                  |

**Lo Ming Chi, Charles**  
 勞明智  
 Chairman  
 主席

**Yu Wai Man**  
 余偉文  
 Director  
 董事

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 1. CORPORATE INFORMATION

Xin Corporation Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Group is principally engaged in supply and procurement business operations.

Vision Century Group Limited ("Vision Century"), a company incorporated in the British Virgin Islands, is the immediate holding company of the Company. In the opinion of the directors, the ultimate holding company of the Company is Huang Group (BVI) Limited, a company incorporated in the British Virgin Islands, which is ultimately held by a discretionary trust.

#### 2.1 BASIS OF PREPARATION

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

##### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2007. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

#### 1. 公司資料

新創綜合企業有限公司為一間於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本集團之主要業務為供應及採購業務。

Vision Century Group Limited (「Vision Century」) (一間於英屬處女群島註冊成立之公司)乃本公司之直接控股公司。董事認為，本公司之最終控股公司為一間在英屬處女群島註冊成立，由一項全權信託最終持有之公司Huang Group (BVI) Limited。

#### 2.1 編製基準

該等財務報表乃根據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)(亦包括香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。該等財務報表乃按歷史成本準則編製。除非另有說明，該等財務報表乃以港元呈列，所有數值均調整至最接近一千之數值。

##### 綜合基準

綜合財務報表包括本公司及其各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。附屬公司之業績乃分別由本集團取得控制權之日起計入綜合財務報表，並持續計入綜合財務報表，直至該控制權終止為止。本集團內部公司間之所有重大交易及結餘均於編製綜合賬目時對銷。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. Acquisition of minority interests is accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets is recognised as goodwill.

### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. The adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

|                              |                                                     |
|------------------------------|-----------------------------------------------------|
| HKAS 21 Amendment            | Net Investment in a Foreign Operation               |
| HKAS 39 & HKFRS 4 Amendments | Financial Guarantee Contracts                       |
| HK(IFRIC)-Int 4              | Determining whether an Arrangement contains a Lease |

The effect of the adoption of these new and revised HKFRSs are as follows:

#### (a) HKAS 21 The Effects of Changes in Foreign Exchange Rates

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 March 2007 or 31 March 2006.

### 2.1 編製基準 (續)

#### 綜合基準 (續)

少數股東權益指並非由本集團持有之外界股東於本公司附屬公司業績及資產淨值中所佔之權益。收購少數股東權益按母公司伸延法入賬，據此所收購資產淨值的代價與所佔賬面值之間的差額確認為商譽。

### 2.2 新訂及經修訂香港財務報告準則之影響

本集團首次採納以下新訂及經修訂香港財務報告準則編製本年度財務報表。採納該等新訂及經修訂之準則及詮釋並無對本財務報表產生重大影響。

|                             |            |
|-----------------------------|------------|
| 香港會計準則第21號 (修訂)             | 海外業務之投資淨額  |
| 香港會計準則第39號及香港財務報告準則第4號 (修訂) | 金融擔保合約     |
| 香港 (國際財務報告詮釋委員會) – 詮釋第4號    | 釐定安排是否包含租賃 |

採納該等新訂及經修訂之香港財務報告準則之影響如下：

#### (a) 香港會計準則第21號匯率變動之影響

於採用香港會計準則第21號 (修訂) 有關於海外業務之投資淨額後，所有由貨幣項目產生之外匯差額而又構成本集團在海外業務之投資淨額，不論該貨幣項目為何種貨幣，均於綜合財務報表被確認為權益之獨立部份。此項改變對二零零七年三月三十一日或二零零六年三月三十一日之財務報表並無重大影響。



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

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

##### (b) HKAS 39 Financial Instruments: Recognition and Measurement

###### *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 accordance with HKAS 18 Revenue. The adoption of this amendment has had no material impact on these financial statements.

##### (c) HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease

The Group has adopted this interpretation as of 1 April 2006, which 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.

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

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

|                   |                                            |
|-------------------|--------------------------------------------|
| HKAS 1 Amendment  | Capital Disclosures                        |
| HKAS 23 (Revised) | Borrowing Costs                            |
| HKFRS 7           | Financial Instruments: Disclosures         |
| HKFRS 8           | Operating Segments                         |
| HK(IFRIC)-Int 8   | Scope of HKFRS 2                           |
| HK(IFRIC)-Int 9   | Reassessment of Embedded Derivatives       |
| HK(IFRIC)-Int 10  | Interim Financial Reporting and Impairment |

#### 2.2 新訂及經修訂香港財務報告準則之影響(續)

##### (b) 香港會計準則第39號金融工具：確認和計量

###### *金融擔保合約之修訂*

此項修訂對香港會計準則第39號之範圍作出變更，要求不被視為保險合約之已發出金融擔保合約，首先按公平價值確認，再次計量時按根據香港會計準則第37號撥備、或然負債和或然資產釐定之金額與首次確認虧損之金額之較高者，並減去(如適當)根據香港會計準則第18號收益確認之累計攤銷。採納此項修訂對本財務報表並無重大影響。

##### (c) 香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包含租賃

本集團自二零零六年四月一日起採納此項詮釋，詮釋就釐定安排是否包含一項必須採用租賃會計核算之租賃提供指引。此項詮釋對本財務報表並無重大影響。

#### 2.3 已頒佈但尚未生效之香港財務報告準則之影響

本集團尚未於本財務報表採用下列已頒佈及與本集團財務報表有關但尚未生效之新訂及經修訂香港財務報告準則。

|                        |                |
|------------------------|----------------|
| 香港會計準則第1號(修訂)          | 資本披露           |
| 香港會計準則第23號(修訂)         | 借貸成本           |
| 香港財務報告準則第7號            | 金融工具：披露        |
| 香港財務報告準則第8號            | 經營分部           |
| 香港(國際財務報告詮釋委員會)－詮釋第8號  | 香港財務報告準則第2號之範圍 |
| 香港(國際財務報告詮釋委員會)－詮釋第9號  | 內含衍生工具之重估      |
| 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      |

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

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

HKAS 23 (Revised) shall be applied for annual periods beginning on or after 1 January 2009. This standard requires an entity to capitalise all borrowing costs if they are directly attributable to the acquisition, construction or production of a qualifying asset. The choice to immediately recognise such costs as an expense is eliminated.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. This standard requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### 2.3 已頒佈但尚未生效之香港財務報告準則之影響(續)

香港會計準則第1號(修訂)適用於二零零七年一月一日或之後開始之年度期間。該項修訂準則將會影響有關本集團管理資本之目標、政策及程序等定性資料之披露；本公司有關資本之定量資料，以及在遵守任何資本規定及未能遵守有關規定之結果。

香港會計準則第23號(修訂)適用於二零零九年一月一日或之後開始之任何期間。該項修訂準則規定於收購、建造或生產合資格資產直接應佔之借貸成本構成該等資產之部份成本。即時確認該等成本為開支之選擇已取消。

香港財務報告準則第7號適用於二零零七年一月一日或之後開始之年度期間。該準則規定之披露事項能夠使財務報表使用者評估本集團金融工具之重要性及由該等金融工具引起之風險程度。

香港財務報告準則第8號適用於二零零九年一月一日或之後開始之年度期間。該準則規定實體須按其報告分類申報財務及說明資料。報告分類為符合指定條件之經營分類或經營分類組合。經營分類為一個實體之組成部分，其可供查閱之獨立財務資料乃經由主要經營決定者定期評估以決定如何分配資源及評估表現。一般而言，財務資料須按等同於在內部用作評估經營分類表現及決定如何向經營分類分配資源之基準作出申報。

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

HK(IFRIC)-Int 8, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 10 shall be applied for annual periods beginning on or after 1 May 2006, 1 June 2006 and 1 November 2006, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKAS 1 Amendment, HKAS 23 and HKFRS 7 may result in new or amended disclosures, these new and revised HKFRSs should not have any significant impact on the Group's results of operations and financial position.

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities. The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

##### Goodwill

Goodwill arising on the acquisition of minority interests represents the difference between the consideration and the book value of the share of the net assets acquired at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

#### 2.3 已頒佈但尚未生效之香港財務報告準則之影響(續)

香港(國際財務報告詮釋委員會)－詮釋第8號、香港(國際財務報告詮釋委員會)－詮釋第9號、香港(國際財務報告詮釋委員會)－詮釋第10號分別適用於二零零六年五月一日、二零零六年六月一日及二零零六年十一月一日或之後開始之年度期間。

本集團正在評估該等新訂及經修訂香港財務報告準則於初次應用時之影響。至今所得結論認為，雖然採納香港會計準則第1號(修訂)，香港會計準則第23號及香港財務報告準則第7號可能導致新增或經修訂之披露，但該等新訂及經修訂之香港財務報告準則應不會對本集團之經營業績及財政狀況造成任何重大影響。

#### 2.4 主要會計政策概要

##### 附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策以因應其業務得益之實體。附屬公司之業績乃按已收及應收股息數額列入本公司收益表內。本公司於附屬公司之權益乃按成本值減任何減值虧損列賬。

##### 商譽

因收購少數股東權益產生之商譽指代價與於收購日期所收購淨資產賬面值之差額。

因收購產生之商譽在綜合資產負債表內確認為資產，初步按成本計量，其後按成本減任何累計減值虧損。商譽之賬面值需每年進行檢核，或於出現任何事件或情況改變顯示賬面值可能減少時，則更頻密進行檢核。減值按商譽有關之現金產生單位可收回款額進行評估釐定。倘現金產生單位之可收回款額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不會於其後撥回。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets other than goodwill

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

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

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

### 2.4 主要會計政策概要(續)

#### 商譽以外之非金融資產之減值

倘有跡象顯示出現減值，或需要進行年度資產減值測試時(存貨、金融資產及商譽除外)，會估計資產之可收回款額。資產之可收回款額以資產或現金產生單位之使用價值與其公平價值兩者中之較高者減銷售成本計算，並以個別資產釐定，除非資產並無產生現金流量，而現金流量大多獨立於其他資產或資產組合，則在此情況下，可收回款額乃以資產所屬之現金產生單位釐定。

只有在資產賬面值超逾其可收回款額之情況下，方會確認減值虧損。評估使用價值時，則以反映現金時間價值及資產特有風險之當時市場評估之除稅前貼現率折現估計未來現金流量。減值虧損會自其出現期間，於收益表內扣除。

於各報告日期均會評估是否有任何跡象顯示於過往確認之減值虧損不再存在或可能已減少。倘出現該等跡象，則會估計可收回款額。只有在用以釐定資產可收回款額之估計方法改變時，過往確認之資產減值虧損(不包括商譽)方會逆轉，惟倘於過往年度並未就資產確認減值虧損，有關款額不得高於原定釐定之賬面值(扣除任何折舊／攤銷)。撥回之該減值虧損會撥入其出現期間之收益表。

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### 財務報表附註

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (continued)

##### Related parties

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

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

#### 2.4 主要會計政策概要(續)

##### 有關連人士

在下列情況下，一名人士會被視為本集團之有關連人士：

- (a) 該人士直接或間接透過一家或以上中介人士：(i)控制本集團，受到本集團控制，或與本集團受到共同控制；(ii)擁有本集團之權益，使之能對本集團行使重大影響力；或(iii)共同控制本集團；
- (b) 該人士為本集團或其控股公司之主要管理層成員之一；
- (c) 該人士為第(a)或第(b)項所指之任何個人之近親；
- (d) 該人士為受到第(b)或第(c)項所指之任何個人所控制、共同控制或能行使重大影響力之實體，或該人士直接或間接擁有該實體之重大投票權；或
- (e) 該人士乃為本集團或任何屬於本集團有關連人士之實體之僱員福利而設之離職後福利計劃。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, after taking into account its estimated residual value. The principal annual rates used for this purpose are as follows:

|                                                            |                                                      |
|------------------------------------------------------------|------------------------------------------------------|
| Leasehold improvements                                     | 20% or over the lease terms,<br>whichever is shorter |
| Moulds, plant and machinery                                | 12.5% – 15%                                          |
| Furniture, fixtures and<br>equipment and motor<br>vehicles | 20%                                                  |

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃按成本減累積折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何將資產達致其現有運作狀況及地點作擬定用途之直接成本。在物業、廠房及設備項目投入運作後產生之支出,如維修與保養等,一般於產生期間自收益表中扣除。倘若當時之情況能清楚顯示支出導致預期日後因使用物業、廠房及設備項目獲得之經濟利益有所增加,而項目成本能夠可靠地計量,則將支出撥作該項資產之額外成本或重置成本。

折舊按各物業、廠房及設備項目之估計可使用年期(已計及其估計剩餘價值)以直線法撇銷其成本至其剩餘價值計算。計算所用之主要年率如下:

|                     |                       |
|---------------------|-----------------------|
| 租賃物業裝修              | 20%或按租賃年期<br>(以較短者為準) |
| 模具、廠房及機器            | 12.5% – 15%           |
| 傢俬、裝置、<br>設備及<br>汽車 | 20%                   |



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (continued)

##### Property, plant and equipment and depreciation (continued)

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

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

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

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

##### Investment properties

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are stated at cost less accumulated depreciation and any impairment losses.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

#### 2.4 主要會計政策概要(續)

##### 物業、廠房及設備及折舊(續)

當物業、廠房及設備項目之各部分具有不同之可使用年期，該項目之成本依照合理之基準分配予各部分，而每部分會分開折舊。

剩餘價值、可使用年期及折舊方法會於各結算日檢討及調整(如適用)。

物業、廠房及設備項目在出售時或預期日後使用或出售項目時不再帶來經濟利益時反確認。於資產反確認年度之收益表中確認出售或廢置物業、廠房及設備項目之任何損益，指出售所得款項淨額與相關資產賬面值之差額。

在建工程乃在建樓宇，按成本減任何減值虧損列賬，且並無折舊。成本包含建築期內所涉及之建築直接成本。在建工程於完成及可使用時重新分類至適當之物業、廠房及設備項目類別。

##### 投資物業

投資物業乃於持作賺取租金收入及／或資本增值，而非作生產或供應貨品或服務或作行政用途，亦非作一般業務過程中銷售之樓宇權益。該等物業按成本減累計折舊及任何減值虧損計量。

廢置或出售投資物業之任何損益於廢置或出售年度之收益表中確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases

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

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

#### Investments and other financial assets

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

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

### 2.4 主要會計政策概要(續)

#### 租賃

凡將資產之擁有權之絕大部分回報及風險撥歸出租人之租約，均被列為經營租約處理。倘本集團為出租人，本集團根據經營租約出租之資產乃計入非流動資產，而經營租約之應收租金乃按租賃期以直線法計入收益表內。倘本集團為承租人，經營租約之應付租金乃按租賃期以直線法自收益表中扣除。

經營租約項下之預付土地租賃款項初步按成本列賬，其後以直線法按租賃期確認。

#### 投資及其他金融資產

金融資產於初步確認時按公平價值加直接應佔交易成本計算。本集團於初步確認後釐定其金融資產之分類，並在容許及適當之情況下於結算日重新評估有關分類。

所有一般金融資產買賣乃於交易日期(即本集團承諾購買資產之日期)確認。一般買賣乃指按照一般市場規定或慣例訂定之期間內交付資產之金融資產買賣。



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### 財務報表附註

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (continued)

##### Investments and other financial assets (continued)

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

##### Impairment of financial assets

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

###### *Assets carried at amortised cost*

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

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產(續)

###### *貸款及應收賬款*

貸款及應收賬款乃非衍生金融資產，其固定或定額付款並無在活躍市場上報價。該等資產其後按實際利息法以攤銷成本列賬。攤銷成本乃計入於收購時之任何折讓或溢價後計算，並包括構成實際利率及交易成本一部分之費用。於貸款及應收賬款反確認或減值時，損益於收益表中確認，並須進行攤銷過程。

##### 金融資產減值

本集團於各結算日均會評估是否有任何客觀跡象顯示一項金融資產或一組金融資產出現減值。

###### *按攤銷成本列賬之資產*

倘按攤銷成本列賬之貸款及應收賬款出現減值虧損之跡象，虧損額乃資產賬面值與按金融資產原實際利率(即初步確認時計算之實際利率)折現之估計未來現金流量現值(未出現之未來信貸虧損除外)兩者間之差額。資產賬面值直接或透過使用撥備賬予以減少。減值虧損額在收益表確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### *Assets carried at amortised cost (continued)*

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

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

In relation to accounts receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

### 2.4 主要會計政策概要(續)

#### 金融資產減值(續)

##### *按攤銷成本列賬之資產(續)*

本集團會首先評估個別重大金融資產是否出現客觀之個別減值跡象，或者非個別重大金融資產是否出現客觀之個別或共同減值跡象。倘發現個別評估金融資產(不論重大與否)並無出現客觀之減值跡象，該資產將歸入一組信貸風險特徵相若之金融資產，該組資產亦將予以共同評估減值。予以個別評估減值而減值虧損現在或持續被確認之資產，不會歸入共同減值評估。

倘減值虧損額於其後期間減少，而減少與確認減值後出現之事件客觀有關，則先前已確認之減值虧損會逆轉。其後一切減值虧損逆轉於收益表中確認，惟以資產賬面值不超過其於逆轉日期之攤銷成本為限。

就應收賬款而言，倘出現客觀證據(如債務人可能無力償債或出現重大財務困難)顯示本集團將無法按發票之原定條款收回所有到期款項，則會作出減值撥備。應收賬款之賬面值透過使用撥備賬而減少。已減值之債務一經評估為無法收回時則會反確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets

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

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

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

### 2.4 主要會計政策概要(續)

#### 反確認金融資產

金融資產(或(倘適用)一項金融資產之一部分或一組類似金融資產之一部分)在下列情況將反確認:

- 收取該項資產所得現金流量之權利已屆滿;
- 本集團保留收取該項資產所得現金流量之權利,惟須根據一項「轉付」安排,在未有嚴重延緩第三方之情況下,已就有關權利全數承擔付款之責任;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,並(a)已轉讓該項資產之絕大部分風險及回報;或(b)並無轉讓或保留該項資產之絕大部分風險及回報,但已轉讓該項資產之控制權。

凡本集團轉讓其收取該項資產所得現金流量之權利,但並無轉讓或保留該項資產之絕大部分風險及回報,且並無轉讓該項資產之控制權,該項資產將確認入賬,惟以本集團須持續涉及該項資產之程度為限。倘以所轉讓資產擔保形式持續涉及,則按該項資產之原賬面值與本集團或須償還之代價數額上限兩者中之較低者計算。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities, including accounts and bills payable, other payables, interest-bearing loans and borrowings, loan from a minority shareholder and amounts due to a minority shareholder and a related company, are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

#### Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

### 2.4 主要會計政策概要(續)

#### 按攤銷成本入賬之金融負債(包括計息貸款及借款)

金融負債包括應付賬款及應付票據、其他應付款項、計息貸款及借款，少數股東之貸款及應付一名少數股東及一家關連公司款項、初步按公平價值減直接應佔交易成本確認，其後以實質利息法按攤銷成本計算，但如折現並無重大影響則除外，在此情況下，則按成本列賬。

損益乃於負債反確認時透過攤銷過程後於收益表中確認。

#### 可換股票據

可換股票據及債券中顯示負債特徵之部分，扣除交易成本後在資產負債表中確認為負債。發行可換股票據時，負債部分之公平價值乃採用非可換股票據等值項目之市場比率釐定，而此數額乃按攤銷成本基準作為長期負債列賬，直至換股或贖回時註銷為止。所得款項餘額會分配至換股權，於扣除交易成本後在股東權益內確認入賬。換股權賬面值於其後年度不會重新計量。交易成本乃根據首次確認該等工具時，所得款項分配至負債及權益部分之比例攤分至可換股票據之負債及權益部分。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (continued)

##### Derecognition of financial liabilities

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

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

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated cost to be incurred to completion and disposal.

##### Cash and cash equivalents

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

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

#### 2.4 主要會計政策概要(續)

##### 反確認金融負債

倘負債項下承擔被解除、取消或到期，則須反確認金融負債。

倘現有金融負債被來自同一貸款人之另一項負債按實質上不相同之條款取代，或現有負債之條款大部分被修訂，則該項交換或修訂會作為反確認原有負債及確認新負債處理，各自之賬面值差額於收益表內確認。

##### 存貨

存貨按成本值或可變現淨值兩者中較低者入賬。成本值按先進先出法計算。可變現淨值乃根據估計售價減預期完成及出售存貨所需之任何成本計算。

##### 現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，及購入後一般在三個月內到期及可隨時轉換為已知數額現金且價值變動風險較小之短期高度流動性投資，扣除須應要求償還並構成本集團現金管理之組成部分之銀行透支。

就資產負債表而言，現金及現金等值物包括之手頭現金及銀行存款(包括定期存款)及性質類似現金而用途不受限制之資產。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Provisions

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

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

##### Income tax

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

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

#### 2.4 主要會計政策概要(續)

##### 撥備

在本集團因已發生之事件而負有現行法律或推定責任，從而日後有可能須撥出資源以履行有關責任，且有關數額亦能可靠估算之情況下，本集團會確認撥備。

倘貼現之影響乃屬重大，則確認為撥備之數額為日後預期用於履行有關責任之開支於結算日之現值。隨時間推移產生之貼現現值增加計入收益表之融資成本。

##### 所得稅

所得稅包括本期稅項及遞延稅項。所得稅於收益表中確認，或倘有關項目於相同或不同期間在權益中確認，則直接在權益中確認。

本期及前期之本期稅項資產及負債，以預期可從課稅機關收回或向課稅機關繳付之款項計量。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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

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

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

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

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

遞延稅項就於結算日資產與負債之稅基及其於財務報告中之賬面值兩者間之所有暫時差異以負債法撥備。

遞延稅項負債乃就所有應課稅暫時差異確認，除：

- 惟於商譽或進行一項交易時初步確認非業務合併交易之資產或負債時產生而於交易時並無對會計溢利或應課稅溢利或虧損構成影響之遞延稅項負債除外；及
- 就有關於附屬公司之投資產生之應課稅暫時差異而言，惟於暫時差異之撥回時間可以控制及暫時差異有可能不會於可預見未來撥回。

遞延稅項資產就所有可扣減暫時差異及未被動用之稅項抵免與未被動用之稅項虧損之結轉確認，惟以有可能以應課稅溢利抵銷可扣減暫時差異及可動用之結轉未被動用之稅項抵免及未被動用之稅項虧損為限：

- 惟於進行一項非業務合併交易時初步確認非業務合併交易之資產或負債時產生而於交易時並無對會計溢利或應課稅溢利或虧損構成影響之有關可扣減暫時差異之遞延稅項資產除外；及



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

- 就於附屬公司之投資產生之可扣減暫時差異而言，遞延稅項資產僅以暫時差異有可能於可預見未來撥回及可動用應課稅溢利以抵銷暫時差異為限確認。

遞延稅項資產之賬面值於每個結算日檢討，並扣減至不再可能有足夠應課稅溢利讓所有或部分遞延稅項資產被動用為止。相反，以往未確認之遞延稅項資產於每個結算日重新評估，並在可能有足夠應課稅溢利讓所有或部分遞延稅項資產被動用時確認。

遞延稅項資產與負債以資產被變現或負債清還之期間之預期適用稅率，按於結算日已制定或實際已制定之稅率(及稅務法例)計算。

倘存在合法可行使以本期稅項資產抵銷本期稅項負債之權利，而遞延稅項與同一應課稅實體及同一課稅機關有關，則抵銷遞延稅項資產及遞延稅項負債。



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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on the straight-line basis over the lease terms; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

##### Employee benefits

###### *Share-based payment transactions*

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

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

#### 2.4 主要會計政策概要(續)

##### 確認收入

當經濟效益有可能流入本集團而收入金額能可靠地計量時，收入按下列方式確認：

- (a) 來自貨品銷售，附於擁有權之主要風險及回報已轉移至買家，且本集團並無保留一般視為與擁有權相關之管理權或已售貨品之有效控制權時；
- (b) 租金收入乃按租約期以直線法計算；及
- (c) 利息收入方面，乃按應計基準使用實際利息法計算，須採用能把金融工具預期年期下估計未來現金收入折現至金融資產賬面淨值之利率。

##### 僱員福利

###### *以股份付款之交易*

本公司設有一項購股權計劃，其目的在於向為本集團之成功營運作出貢獻之合資格參與人給予鼓勵及回報。本集團僱員（包括董事）以股份付款之交易方式收取報酬，據此，僱員提供服務作為收取股權工具之代價（「以權益結算之交易」）。

與僱員進行以權益結算之交易之成本，乃參照於授出日期之公平價值計量。於評估以權益結算之交易之價值時，除了與本公司股份價格有關之條件（「市場條件」）（如適用）外，並無將任何績效條件計算在內。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### *Share-based payment transactions (continued)*

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

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

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

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

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

### 2.4 主要會計政策概要(續)

#### 僱員福利(續)

##### *以股份付款之交易(續)*

以權益結算之交易之成本，連同權益相應增加部分，在績效及／或服務條件獲得履行之期間（於有關僱員完全有權獲得獎勵之日期（「歸屬日期」）結束）內確認。在歸屬日期前，於每個結算日確認之以權益結算之交易之累積開支，反映歸屬期已到期部分及本集團對最終將會歸屬之股權工具數目之最佳估計。在某一期間內在收益表中之扣除或進賬，乃反映於期初及期終確認之累積開支變動。

對於並未最終歸屬之獎勵不會確認任何開支，惟須視乎市場條件而決定歸屬與否之獎勵則除外。對於該類購股權而言，只要所有其他績效條件已經達成，不論市場條件是否達成，均會被視為已歸屬。

倘以權益結算之獎勵之條款有所修訂，所確認開支最少須達到猶如條款並無任何修訂之水平。此外，倘有關修訂導致以股份付款之付款安排之總公平價值有所增加，或為僱員帶來其他利益，則應就該等修訂確認開支。

倘以權益結算之獎勵被註銷，應被視為猶如已於註銷日期歸屬，任何尚未確認之獎勵開支應即時確認。然而，倘有新獎勵取代已註銷獎勵，並於授出日期指定為取代獎勵，則已註銷獎勵及新獎勵，均如前段所述應被視為原先獎勵之修訂。

計算每股盈利時，尚未行使購股權之攤薄效應會反映為額外股份攤薄。

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### 財務報表附註

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Employee benefits (continued)

###### *Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

###### *Retirement benefits scheme*

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

#### 2.4 主要會計政策概要(續)

##### 僱員福利(續)

###### *結轉有薪假期*

本集團根據僱傭合約按曆年基準向僱員提供有薪年假。在若干情況下，於結算日仍未享用之假期允許結轉，由有關僱員在下個年度享用。於結算日，本集團會就僱員於年內享有及結轉之有薪假期之預期未來成本確認一項應計款項。

###### *退休福利計劃*

本集團根據強制性公積金計劃條例為其合資格參與強制性公積金退休福利計劃(「強積金計劃」)之僱員運作一個定額供款之強積金計劃。供款乃依據僱員基本薪酬之百分比計算，並根據強積金計劃之規例於應付時計入收益表。強積金計劃之資產乃與本集團之資產分開持有，並由獨立管理基金管理。本集團僱主之供款於向強積金計劃供款時即全部撥歸僱員所有。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Foreign currencies

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

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

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

#### 2.4 主要會計政策概要(續)

##### 外幣

本財務報表乃以港元，即本公司之功能及呈列貨幣呈列。本集團內各實體決定其本身之功能貨幣，而包括在各實體之財務報表之項目乃使用該功能貨幣計量。外幣交易初步使用交易日期之外幣匯率記錄。以外幣為結算單位之貨幣性資產與負債會按結算日之外幣匯率再度換算。所有差額均記入收益表。以外幣歷史成本計量之非貨幣性資產，按初步交易日期之匯率換算。按外幣公平價值計量之非貨幣性項目，使用公平價值釐定日期之匯率換算。

若干海外附屬公司之功能貨幣為港元以外之貨幣。於結算日，該等實體之資產與負債會按結算日之匯率換算為本公司之呈列貨幣，而收益表會按年度加權平均匯率換算為港元。所產生之匯兌差額會包括在匯兌波動儲備。出售海外實體時，在權益中確認有關該特定海外業務之遞延累積金額會在收益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司於整個年度定期產生之現金流量按年度加權平均匯率換算為港元。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATE

##### Judgements

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

##### *Impairment test of assets*

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

##### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### 3. 主要會計判斷

##### 判斷

於採用本集團會計政策之過程中，除涉及對於財務報表內確認之款額構成最重大影響之估計之會計政策外，管理層已作出以下判斷：

##### *資產減值測試*

釐定一項資產有否減值或以往導致減值之事件是否不再存在時，本公司已就資產減值之範疇行使判斷，尤其是評估：(1)是否已發生可能影響資產價值之事件，或影響資產價值之該項事件並不存在；(2)按持續使用資產之業務而估計未來之現金流量經折算後之淨現值能否支持該項資產之賬面值；以及(3)使用適當之主要假設於預計現金流量，包括是否應用適當折現率於該等現金流量預測。倘改變管理層用以確定減值程度之假設(包括現金流量預測中採用之折現率或增長率假設)，可能會對減值測試中使用之淨現值產生重大影響。

##### 估計數字之不明朗因素

下文披露有關未來之主要假設及於結算日估計不明朗因素之其他主要來源，該等因素於下個財政年度極有可能會導致資產與負債之賬面值作出重大調整，有關之討論如下。

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATE (continued)

#### Estimation uncertainty (continued)

##### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. 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. The carrying amount of goodwill at 31 March 2007 was HK\$6,478,000 (2006: Nil). More details of the assessment of impairment of goodwill are set out in note 17.

### 4. SEGMENT INFORMATION

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

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

#### Continuing operations:

- the supply and procurement segment supplies office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels; and
- the corporate and others segment consists of corporate income and expense items and holding of property.

### 3. 主要會計判斷(續)

#### 估計數字之不明朗因素(續)

##### *商譽減值*

本集團最少每年評估商譽是否減值。本集團須估計獲分配商譽之現金產生單位的使用價值。估計使用價值時，本集團須估計現金產生單位的預期未來現金流量，亦須選擇用作計算現金流量現值的合適貼現率。於二零零七年三月三十一日之商譽賬面值為6,478,000港元(二零零六年：無)。有關評估商譽減值之更多詳情載於附註17。

### 4. 分類資料

分類資料以兩種分類方式提呈：(i)以業務分類作為其主要呈報方式；及(ii)以地區分類作為次要呈報方式。

本集團之經營業務按業務性質及所提供之產品進行組合及管理。本集團每項業務分類均代表所提供產品涉及之風險及回報與其他業務分類不同之策略性業務單位。業務分類資料現概述如下：

#### 持續經營業務：

- 供應及採購分類業務為供應辦公室設備、辦公室用品及遠洋郵輪使用之機器、機械零件、機油及燃料；及
- 企業及其他分類業務，包括企業收支項目及持有物業。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 4. SEGMENT INFORMATION (continued)

Discontinued operations:

- the toddler cars segment manufactures and trades children's ride-on cars featuring working horns and turning wheels;
- the cycling segment manufactures and trades children's bicycles, tricycles and scooters; and
- the other toys segment comprises the manufacture and the trading of pre-school toys, plastic utensils and other fashionable toys.

In determining the Group's geographical segments, revenue are attributed to the segments based on the location of the customers. Assets are attributed to the segments based on the location of the assets.

There are no intersegment sales and transfers among the business segments.

#### 4. 分類資料(續)

已終止經營業務：

- 學行車分類業務為製造及買賣兒童座車，其附有可發聲之喇叭及可轉動之駕駛盤；
- 腳踏車分類業務為製造及買賣兒童單車、三輪車及滑板車；及
- 其他玩具分類，包括製造及買賣學前玩具、塑膠用品及其他時尚玩具。

本集團決定地區分類時，會按客戶所在地劃分收益所屬分類，亦按資產所在地劃分資產所屬分類。

業務分類之間概無分類銷售及轉讓。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 4. SEGMENT INFORMATION (continued)

#### (a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2006 and 2007.

### 4. 分類資料 (續)

#### (a) 業務分類

下表呈列本集團截至二零零六年及二零零七年三月三十一日止年度按業務分類之收入、溢利/(虧損)及若干資產、負債及開支之資料。

|                                                   |               | Continuing operations<br>持續經營業務 |                 |                               |                 |                 |                 | Discontinued operations<br>已終止經營業務 |                 |                 |                 |                    |                 |                 |                 |                    |               |          |
|---------------------------------------------------|---------------|---------------------------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|--------------------|---------------|----------|
|                                                   |               | Supply and procurement<br>供應及採購 |                 | Corporate and others<br>企業及其他 |                 | Sub-total<br>小計 |                 | Toddler cars<br>學行車                |                 | Cycling<br>腳踏車  |                 | Other toys<br>其他玩具 |                 | Sub-total<br>小計 |                 | Consolidated<br>綜合 |               |          |
|                                                   |               | 2007<br>二零零七年                   | 2006<br>二零零六年   | 2007<br>二零零七年                 | 2006<br>二零零六年   | 2007<br>二零零七年   | 2006<br>二零零六年   | 2007<br>二零零七年                      | 2006<br>二零零六年   | 2007<br>二零零七年   | 2006<br>二零零六年   | 2007<br>二零零七年      | 2006<br>二零零六年   | 2007<br>二零零七年   | 2006<br>二零零六年   | 2007<br>二零零七年      | 2006<br>二零零六年 |          |
|                                                   |               | HK\$'000<br>千港元                 | HK\$'000<br>千港元 | HK\$'000<br>千港元               | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元                    | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元    | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元    |               |          |
| Segment revenue:                                  | 分類收入:         |                                 |                 |                               |                 |                 |                 |                                    |                 |                 |                 |                    |                 |                 |                 |                    |               |          |
| Sales to external customers                       | 外來客戶之銷售額      | 193,989                         | 155,550         | -                             | -               | 193,989         | 155,550         | -                                  | 4,501           | -               | 2,519           | -                  | 3,775           | -               | 10,795          | 193,989            | 166,345       |          |
| Other revenue and gains                           | 其他收入及收益       | 345                             | 91              | 1,200                         | -               | 1,545           | 91              | -                                  | 184             | -               | 103             | -                  | 154             | -               | 441             | 1,545              | 532           |          |
|                                                   |               | 194,334                         | 155,641         | 1,200                         | -               | 195,534         | 155,641         | -                                  | 4,685           | -               | 2,622           | -                  | 3,929           | -               | 11,236          | 195,534            | 166,877       |          |
| Segment results                                   | 分類業績          | 21,189                          | 15,494          | 1,200                         | -               | 22,389          | 15,494          | -                                  | (3,274)         | -               | (1,724)         | -                  | (2,828)         | -               | (7,826)         | 22,389             | 7,668         |          |
| Interest income and unallocated revenue and gains | 利息收入及未分配收入及收益 |                                 |                 |                               |                 | 535             | 1,340           |                                    |                 |                 |                 |                    |                 |                 | -               | -                  | 535           | 1,340    |
| Unallocated expenses                              | 未分配開支         |                                 |                 |                               |                 | (15,008)        | (11,521)        |                                    |                 |                 |                 |                    |                 |                 | -               | -                  | (15,008)      | (11,521) |
| Finance costs                                     | 融資成本          |                                 |                 |                               |                 | (4,273)         | (4,620)         |                                    |                 |                 |                 |                    |                 |                 | -               | (29)               | (4,273)       | (4,649)  |
| Profit/(loss) before tax                          | 除稅前溢利/(虧損)    |                                 |                 |                               |                 | 3,643           | 693             |                                    |                 |                 |                 |                    |                 |                 | -               | (7,855)            | 3,643         | (7,162)  |
| Tax                                               | 稅項            |                                 |                 |                               |                 | (3,553)         | (3,172)         |                                    |                 |                 |                 |                    |                 |                 | -               | -                  | (3,553)       | (3,172)  |
| Profit/(loss) for the year                        | 本年度溢利/(虧損)    |                                 |                 |                               |                 | 90              | (2,479)         |                                    |                 |                 |                 |                    |                 |                 | -               | (7,855)            | 90            | (10,334) |



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 4. SEGMENT INFORMATION (continued)

#### 4. 分類資料(續)

##### (a) Business segments (continued)

##### (a) 業務分類(續)

|                                                             |               | Continuing operations<br>持續經營業務 |         |                               |         |                 |         | Discontinued operations<br>已終止經營業務 |         |                |         |                    |         | Consolidated<br>綜合 |         |                 |         |       |       |
|-------------------------------------------------------------|---------------|---------------------------------|---------|-------------------------------|---------|-----------------|---------|------------------------------------|---------|----------------|---------|--------------------|---------|--------------------|---------|-----------------|---------|-------|-------|
|                                                             |               | Supply and procurement<br>供應及採購 |         | Corporate and others<br>企業及其他 |         | Sub-total<br>小計 |         | Toddler cars<br>學行車                |         | Cycling<br>腳踏車 |         | Other toys<br>其他玩具 |         |                    |         | Sub-total<br>小計 |         |       |       |
|                                                             |               | 2007                            | 2006    | 2007                          | 2006    | 2007            | 2006    | 2007                               | 2006    | 2007           | 2006    | 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   | 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   |                    |         | 二零零七年           | 二零零六年   | 二零零七年 | 二零零六年 |
|                                                             |               | HKS'000                         | HKS'000 | HKS'000                       | HKS'000 | HKS'000         | HKS'000 | HKS'000                            | HKS'000 | HKS'000        | HKS'000 | HKS'000            | HKS'000 | HKS'000            | HKS'000 | HKS'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     | 千港元            | 千港元     | 千港元                | 千港元     | 千港元                | 千港元     | 千港元             |         |       |       |
| Assets and liabilities                                      | 資產與負債         |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         |                 |         |       |       |
| Segment assets                                              | 分類資產          | 82,491                          | 60,400  | 55,185                        | 52,484  | 137,676         | 112,884 | -                                  | -       | -              | -       | -                  | -       | -                  | -       | 137,676         | 112,884 |       |       |
| Unallocated assets                                          | 未分配資產         |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         | 29,255          | 5,123   |       |       |
| Total assets                                                | 總資產           |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         | 166,931         | 118,007 |       |       |
| Segment liabilities                                         | 分類負債          | 74,403                          | 43,738  | 22,161                        | 22,228  | 96,564          | 65,966  | -                                  | -       | -              | -       | -                  | -       | -                  | -       | 96,564          | 65,966  |       |       |
| Unallocated liabilities                                     | 未分配負債         |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         | 31,614          | 44,558  |       |       |
| Total liabilities                                           | 總負債           |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         | 128,178         | 110,524 |       |       |
| Other segment information:                                  | 其他分類資料:       |                                 |         |                               |         |                 |         |                                    |         |                |         |                    |         |                    |         |                 |         |       |       |
| Depreciation and recognition of prepaid land lease payments | 折舊及確認預付土地租賃款項 | 139                             | 126     | 3,098                         | 2,660   | 3,237           | 2,786   | -                                  | 1,109   | -              | 620     | -                  | 928     | -                  | 2,657   | 3,237           | 5,443   |       |       |
| Impairment of items of property, plant and equipment        | 物業、廠房及設備項目之減值 | -                               | -       | -                             | -       | -               | -       | -                                  | 1,624   | -              | 892     | -                  | 1,357   | -                  | 3,873   | -               | 3,873   |       |       |
| Impairment of investment properties                         | 投資物業之減值       | -                               | -       | 446                           | -       | 446             | -       | -                                  | -       | -              | -       | -                  | -       | -                  | -       | 446             | -       |       |       |
| Write-back of provision against inventories                 | 存貨之撥備撥回       | -                               | (485)   | -                             | -       | -               | (485)   | -                                  | -       | -              | -       | -                  | -       | -                  | -       | -               | (485)   |       |       |
| Equity-settled share option expenses                        | 以權益結算之購股權開支   | -                               | -       | -                             | 466     | -               | 466     | -                                  | -       | -              | -       | -                  | -       | -                  | -       | -               | 466     |       |       |
| Capital expenditure                                         | 資本支出          | 15                              | 296     | -                             | -       | 15              | 296     | -                                  | 185     | -              | -       | -                  | -       | -                  | 185     | 15              | 481     |       |       |

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### 4. SEGMENT INFORMATION (continued)

#### (b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2007 and 2006.

#### Group

|                                         |                | North America |          | Europe   |          | Singapore |          | Asia Pacific Region<br>(including Hong Kong<br>and Mainland China<br>but excluding<br>Singapore)<br>亞太區(包括香港及<br>中國大陸<br>但不包括新加坡) |          | Consolidated<br>綜合 |          |
|-----------------------------------------|----------------|---------------|----------|----------|----------|-----------|----------|-----------------------------------------------------------------------------------------------------------------------------------|----------|--------------------|----------|
|                                         |                | 北美洲           |          | 歐洲       |          | 新加坡       |          | 但不包括新加坡)                                                                                                                          |          | 綜合                 |          |
|                                         |                | 2007          | 2006     | 2007     | 2006     | 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    | 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 | 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      | 千港元                | 千港元      |
| <b>Segment revenue:</b>                 | <b>分類收入：</b>   |               |          |          |          |           |          |                                                                                                                                   |          |                    |          |
| Sales to external customers             | 外來客戶之銷售額       | -             | 1,141    | -        | 6,248    | 193,989   | 155,550  | -                                                                                                                                 | 3,406    | 193,989            | 166,345  |
| Attributable to discontinued operations | 已終止經營業務應佔      | -             | (1,141)  | -        | (6,248)  | -         | -        | -                                                                                                                                 | (3,406)  | -                  | (10,795) |
| Revenue from continuing operations      | 來自持續經營業務之收入    | -             | -        | -        | -        | 193,989   | 155,550  | -                                                                                                                                 | -        | 193,989            | 155,550  |
| <b>Other segment information:</b>       | <b>其他分類資料：</b> |               |          |          |          |           |          |                                                                                                                                   |          |                    |          |
| Segment assets                          | 分類資產           | -             | -        | -        | -        | 82,491    | 63,344   | 84,440                                                                                                                            | 54,663   | 166,931            | 118,007  |
| Capital expenditure                     | 資本支出           | -             | -        | -        | -        | 15        | 296      | -                                                                                                                                 | 185      | 15                 | 481      |

### 4. 分類資料(續)

#### (b) 地區分類

下表呈列本集團截至二零零七年及二零零六年三月三十一日止年度按地區分類之收入及若干資產及支出之資料。

#### 本集團

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

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### 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

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

### 5. 收入、其他收入及收益

收入(亦指本集團之營業額)指年內已扣除退貨及貿易折扣之售出貨物發票淨值。

收入、其他收入及收益分析如下：

|                                                            |                 | Continuing operations |          | Discontinued operations |          | Total    |          |
|------------------------------------------------------------|-----------------|-----------------------|----------|-------------------------|----------|----------|----------|
|                                                            |                 | 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      |
| <b>Revenue</b>                                             | <b>收入</b>       |                       |          |                         |          |          |          |
| Sale of goods                                              | 銷售貨物            | 193,989               | 155,550  | -                       | 10,795   | 193,989  | 166,345  |
| <b>Other income</b>                                        | <b>其他收入</b>     |                       |          |                         |          |          |          |
| Interest income                                            | 利息收入            | 372                   | 267      | -                       | -        | 372      | 267      |
| Rental income                                              | 租金收入            | 1,200                 | 654      | -                       | -        | 1,200    | 654      |
| Others                                                     | 其他              | 351                   | 487      | -                       | 441      | 351      | 928      |
|                                                            |                 | 1,923                 | 1,408    | -                       | 441      | 1,923    | 1,849    |
| <b>Gains</b>                                               | <b>收益</b>       |                       |          |                         |          |          |          |
| Gain on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目之收益 | 157                   | 23       | -                       | -        | 157      | 23       |
|                                                            |                 | 157                   | 23       | -                       | -        | 157      | 23       |
|                                                            |                 | 2,080                 | 1,431    | -                       | 441      | 2,080    | 1,872    |

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 財務報表附註

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6. FINANCE COSTS

6. 融資成本

|                                                                                     |                     | Group<br>本集團                     |                                  |
|-------------------------------------------------------------------------------------|---------------------|----------------------------------|----------------------------------|
|                                                                                     |                     | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| Interest on:                                                                        | 下列各項之利息：            |                                  |                                  |
| Bank loans and other loan wholly repayable within five years                        | 須於五年內全數償還之銀行貸款及其他貸款 | 962                              | 4,619                            |
| Convertible notes and bonds                                                         | 可換股票據及債券            | 3,311                            | 30                               |
|                                                                                     |                     | 4,273                            | 4,649                            |
| Attributable to discontinued operations                                             | 已終止經營業務應佔           | -                                | 29                               |
| Attributable to continuing operations reported in the consolidated income statement | 於綜合收益表報告之持續經營業務應佔   | 4,273                            | 4,620                            |
|                                                                                     |                     | 4,273                            | 4,649                            |

## NOTES TO FINANCIAL STATEMENTS

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#### 7. PROFIT/(LOSS) BEFORE TAX

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

#### 7. 除稅前溢利／(虧損)

本集團除稅前溢利／(虧損)經扣除／(計入)以下各項：

|                                                                         | Continuing operations |          | Discontinued operations |          | Total    |          |
|-------------------------------------------------------------------------|-----------------------|----------|-------------------------|----------|----------|----------|
|                                                                         | 持續經營業務                |          | 已終止經營業務                 |          | 合計       |          |
|                                                                         | 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      |
| Cost of inventories sold                                                | 168,509               | 136,723  | -                       | 6,726    | 168,509  | 143,449  |
| Depreciation of items of property, plant and equipment (note 14)        | 146                   | 1,665    | -                       | 2,620    | 146      | 4,285    |
| Depreciation of investment properties (note 15)                         | 2,312                 | 430      | -                       | -        | 2,312    | 430      |
| Recognition of prepaid land lease payments (note 16)                    | 779                   | 728      | -                       | -        | 779      | 728      |
| Minimum lease payments in respect of land and buildings                 | 389                   | 450      | -                       | 155      | 389      | 605      |
| Auditors' remuneration                                                  | 1,020                 | 1,180    | -                       | -        | 1,020    | 1,180    |
| Employee benefits expense (excluding directors' remuneration – note 8): |                       |          |                         |          |          |          |
| Wages and salaries                                                      | 1,906                 | 1,590    | -                       | 1,732    | 1,906    | 3,322    |
| Equity-settled share option expenses                                    | -                     | 86       | -                       | -        | -        | 86       |
| Pension scheme contributions                                            | 140                   | 124      | -                       | 21       | 140      | 145      |
|                                                                         | 2,046                 | 1,800    | -                       | 1,753    | 2,046    | 3,553    |
| Exchange differences, net                                               | 1,450                 | 2,194    | -                       | (43)     | 1,450    | 2,151    |
| Impairment of items of property, plant and equipment                    | -                     | -        | -                       | 3,873    | -        | 3,873    |
| Impairment of investment properties                                     | 446                   | -        | -                       | -        | 446      | -        |
| Write-back of provision against inventories                             | -                     | (485)    | -                       | -        | -        | (485)    |
| Net rental income                                                       | 1,200                 | 654      | -                       | -        | 1,200    | 654      |

At 31 March 2007, the Group had no forfeited contributions available to reduce its contributions to pension schemes in future years (2006: Nil).

於二零零七年三月三十一日，本集團並無已沒收供款可供扣減其未來年度之退休金計劃供款(二零零六年：無)。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

#### 8. 董事酬金

根據香港聯合交易所有限公司證券上市規則及香港公司條例第161條披露之本年度董事酬金詳情如下：

|                                                 |                | Group<br>本集團                     |                                  |
|-------------------------------------------------|----------------|----------------------------------|----------------------------------|
|                                                 |                | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| Fees:                                           | 袍金：            |                                  |                                  |
| Executive directors                             | 執行董事           | —                                | —                                |
| Independent non-executive directors             | 獨立非執行董事        | 300                              | 300                              |
|                                                 |                | 300                              | 300                              |
| Other emoluments of executive directors:        | 執行董事之<br>其他酬金： |                                  |                                  |
| Salaries, other allowances and benefits in kind | 薪金、其他津貼及實物利益   | 1,040                            | 1,040                            |
| Equity-settled share option expenses            | 以權益結算之購股權開支    | —                                | 380                              |
| Pension scheme contributions                    | 退休金計劃供款        | 52                               | 52                               |
|                                                 |                | 1,092                            | 1,472                            |
|                                                 |                | 1,392                            | 1,772                            |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 8. DIRECTORS' REMUNERATION (continued)

#### (a) Independent non-executive directors

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

|                         |       |
|-------------------------|-------|
| Mr. Wong Kwok Tai       | 黃國泰先生 |
| Mr. Lau Pok Lam         | 劉璞琳先生 |
| Mr. Ko Kwong Woon, Ivan | 高廣垣先生 |

There were no other emoluments payable to the independent non-executive directors during the year (2006: Nil).

### 8. 董事酬金(續)

#### (a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：

| Group<br>本集團                     |                                  |
|----------------------------------|----------------------------------|
| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| 100                              | 100                              |
| 100                              | 100                              |
| 100                              | 100                              |
| <b>300</b>                       | <b>300</b>                       |

本年度內並無應付獨立非執行董事之任何其他酬金(二零零六年：無)。

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8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金(續)

(b) Executive directors

(b) 執行董事

|                          |       | Salaries,<br>other<br>allowances<br>and benefits<br>in kind<br>薪金、<br>其他津貼及<br>實物利益<br>HK\$'000<br>千港元 | Equity-<br>settled<br>share option<br>expenses<br>以權益<br>結算之<br>購股權開支<br>HK\$'000<br>千港元 | Pension<br>scheme<br>contributions<br>退休金<br>計劃供款<br>HK\$'000<br>千港元 | Total<br>remuneration<br>酬金總額<br>HK\$'000<br>千港元 |
|--------------------------|-------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------|
| <b>2007</b>              |       |                                                                                                        |                                                                                          |                                                                      |                                                  |
| <b>二零零七年</b>             |       |                                                                                                        |                                                                                          |                                                                      |                                                  |
| Mr. Lo Ming Chi, Charles | 勞明智先生 | 520                                                                                                    | –                                                                                        | 26                                                                   | 546                                              |
| Mr. Yu Wai Man           | 余偉文先生 | 260                                                                                                    | –                                                                                        | 13                                                                   | 273                                              |
| Mr. Ng Eng Leng          | 黃應麟先生 | 260                                                                                                    | –                                                                                        | 13                                                                   | 273                                              |
| Mr. Wilson Ng            | 黃偉盛先生 | –                                                                                                      | –                                                                                        | –                                                                    | –                                                |
| Mr. Ng Wee Keat          | 黃偉傑先生 | –                                                                                                      | –                                                                                        | –                                                                    | –                                                |
|                          |       | 1,040                                                                                                  | –                                                                                        | 52                                                                   | 1,092                                            |
| <b>2006</b>              |       |                                                                                                        |                                                                                          |                                                                      |                                                  |
| <b>二零零六年</b>             |       |                                                                                                        |                                                                                          |                                                                      |                                                  |
| Mr. Lo Ming Chi, Charles | 勞明智先生 | 520                                                                                                    | 76                                                                                       | 26                                                                   | 622                                              |
| Mr. Yu Wai Man           | 余偉文先生 | 260                                                                                                    | 76                                                                                       | 13                                                                   | 349                                              |
| Mr. Ng Eng Leng          | 黃應麟先生 | 260                                                                                                    | 76                                                                                       | 13                                                                   | 349                                              |
| Mr. Wilson Ng            | 黃偉盛先生 | –                                                                                                      | 76                                                                                       | –                                                                    | 76                                               |
| Mr. Ng Wee Keat          | 黃偉傑先生 | –                                                                                                      | 76                                                                                       | –                                                                    | 76                                               |
|                          |       | 1,040                                                                                                  | 380                                                                                      | 52                                                                   | 1,472                                            |

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

本年度內並無董事作出放棄酬金或同意放棄酬金之安排。



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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2006: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2006: two) non-director, highest paid employees for the year are as follows:

|                                       |             |
|---------------------------------------|-------------|
| Other allowances and benefits in kind | 其他津貼及實物利益   |
| Equity-settled share option expenses  | 以權益結算之購股權開支 |
| Pension scheme contributions          | 退休金計劃供款     |

The remuneration of all non-director, highest paid employees fell within the band of nil to HK\$1,000,000 for the years ended 31 March 2007 and 2006.

During the year, there were no bonuses paid to or receivable by any of the five highest paid employees of the Group (2006: Nil). No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office (2006: Nil).

### 9. 五位最高薪僱員

年內之五位最高薪僱員之中，三位(二零零六年：三位)為董事，彼等之酬金詳情已載列於上文附註8。餘下兩位(二零零六年：兩位)非董事之高薪僱員之酬金詳情如下：

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 456                              | 436                              |
|  |  | —                                | 56                               |
|  |  | 23                               | 22                               |
|  |  | <b>479</b>                       | <b>514</b>                       |

截至二零零七年及二零零六年三月三十一日止年度，所有非董事之最高薪僱員之酬金均介乎零至1,000,000港元之組別內。

年內，本集團概無向任何五位最高薪僱員(二零零六年：無)支付或應付任何花紅。本集團概無向任何五位最高薪僱員支付酬金以吸引彼等加盟本集團或作為加盟本集團時之報酬或離職補償(二零零六年：無)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 10. TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2006: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

### 10. 稅項

由於年內並無源自香港之應課稅溢利，故本集團並無就香港利得稅撥備(二零零六年：無)。於其他司法權區之應課稅溢利稅項，已根據有關之現行法例、註釋及慣例，按本集團經營業務之國家之稅率計算。

|                                                 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|-------------------------------------------------|----------------------------------|----------------------------------|
| Group:                                          |                                  |                                  |
| Current – elsewhere and tax charge for the year | (3,553)                          | (3,172)                          |
| 本集團：                                            |                                  |                                  |
| 即期－其他地區及本年度稅項支出                                 |                                  |                                  |

A reconciliation of the tax expense/(credit) applicable to the profit/(loss) before tax using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

採用本公司及其多數附屬公司註冊司法權區之法定稅率計算之除稅前溢利／(虧損)適用之稅項支出／(抵免)與按實際稅率計算之稅項支出之對賬如下：

#### Group – 2007

#### 本集團－二零零七年

|                                                                                                | Hong Kong<br>香港<br>HK\$'000<br>千港元 | Singapore<br>新加坡<br>HK\$'000<br>千港元 | Mainland<br>China<br>中國大陸<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------------|--------------------------------|
| Profit/(loss) before tax                                                                       | (15,903)                           | 21,152                              | (1,606)                                      | 3,643                          |
| Tax at the applicable tax rate                                                                 | (2,783)                            | 3,807                               | (531)                                        | 493                            |
| Income not subject to tax                                                                      | (285)                              | (284)                               | –                                            | (569)                          |
| Expenses not deductible for tax                                                                | 1,338                              | 30                                  | –                                            | 1,368                          |
| Tax losses not recognised                                                                      | 1,730                              | –                                   | 531                                          | 2,261                          |
| Tax charge at the Group's effective rate                                                       | –                                  | 3,553                               | –                                            | 3,553                          |
| Tax charge attributable to discontinued operations (note 11)                                   |                                    |                                     |                                              | –                              |
| Tax charge attributable to continuing operations reported in the consolidated income statement |                                    |                                     |                                              | 3,553                          |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 10. TAX (continued)

### 10. 稅項(續)

Group – 2006

本集團 – 二零零六年

|                                                                                                      |                                  | Hong Kong<br>香港 | Singapore<br>新加坡 | Total<br>合計     |
|------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|------------------|-----------------|
|                                                                                                      |                                  | HK\$'000<br>千港元 | HK\$'000<br>千港元  | HK\$'000<br>千港元 |
| Profit/(loss) before tax<br>(including loss from<br>discontinued operations)                         | 除稅前溢利／(虧損)<br>(包括已終止經營<br>業務之虧損) | (22,619)        | 15,457           | (7,162)         |
| Tax at the applicable tax rate                                                                       | 按適用稅率計算之稅項                       | (3,958)         | 3,091            | (867)           |
| Income not subject to tax                                                                            | 毋須課稅收入                           | (349)           | (114)            | (463)           |
| Expenses not deductible for tax                                                                      | 不可扣稅開支                           | 655             | 195              | 850             |
| Tax losses not recognised                                                                            | 未確認稅務虧損                          | 3,652           | –                | 3,652           |
| Tax charge at the Group's<br>effective rate                                                          | 按本集團實際稅率計算<br>之稅項支出              | –               | 3,172            | 3,172           |
| Tax charge attributable to<br>discontinued operations (note 11)                                      | 已終止經營業務應佔<br>之稅項支出(附註11)         |                 |                  | –               |
| Tax charge attributable to continuing<br>operations reported in the<br>consolidated income statement | 於綜合收益表報告之<br>持續經營業務應佔<br>稅項支出    |                 |                  | 3,172           |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 11. DISCONTINUED OPERATIONS

On 31 August 2005, pursuant to a sale and purchase agreement entered into between the Group and an independent third party, the Group agreed to dispose of its entire equity interest in Gadgets Yard Limited and its subsidiary (together known as the "GY Group") together with the relevant shareholder's loan. The GY Group was engaged in the design, manufacture and sale of a wide range of toys.

The results of the discontinued operations for the year are presented below:

### 11. 已終止經營業務

於二零零五年八月三十一日，本集團與獨立第三方訂立一份買賣協議，據此，本集團同意出售其於源製有限公司及其附屬公司（統稱「源製集團」）之全部股權，連同有關股東貸款。源製集團從事設計、製造及銷售種類繁多玩具之業務。

本年度已終止經營業務之業績呈列如下：

|                                                    |               | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------------------------|---------------|----------------------------------|----------------------------------|
| Revenue                                            | 收入            | -                                | 10,795                           |
| Expenses                                           | 開支            | -                                | (18,621)                         |
| Finance costs                                      | 融資成本          | -                                | (29)                             |
| Loss before tax                                    | 除稅前虧損         | -                                | (7,855)                          |
| Tax                                                | 稅項            | -                                | -                                |
| Loss for the year from the discontinued operations | 已終止經營業務之本年度虧損 | -                                | (7,855)                          |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 11. DISCONTINUED OPERATIONS (continued)

The net cash flows incurred by the discontinued operations are as follows:

|                                           |              |
|-------------------------------------------|--------------|
| Operating activities                      | 經營活動         |
| Investing activities                      | 投資活動         |
| Financing activities                      | 融資活動         |
| Net cash outflow                          | 現金流出淨額       |
| Loss per share:                           | 每股虧損：        |
| Basic, from the discontinued operations   | 基本，來自已終止經營業務 |
| Diluted, from the discontinued operations | 攤薄，來自已終止經營業務 |

The calculation of basic loss per share from the discontinued operations is based on:

|                                                                                                                  |                            |
|------------------------------------------------------------------------------------------------------------------|----------------------------|
| Loss attributable to ordinary equity holders of the Company from the discontinued operations                     | 本公司普通股權益持有人應佔已終止經營業務之虧損    |
| Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation | 計算每股基本虧損時使用之本年度已發行普通股加權平均數 |

\* Weighted average number of ordinary shares for year ended 31 March 2006 has been restated to reflect the open offer during the year ended 31 March 2007 (note 29(b)).

### 11. 已終止經營業務(續)

本年度已終止經營業務所產生之現金流量淨額如下：

| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------------------|
| -                                | (5,696)                          |
| -                                | (189)                            |
| -                                | 4,650                            |
| -                                | (1,235)                          |
| -                                | HK7.1 cents港仙                    |
| -                                | N/A不適用                           |

計算來自已終止經營業務之每股基本虧損乃按：

| 2007<br>二零零七年 | 2006<br>二零零六年   |
|---------------|-----------------|
| -             | HK\$7,495,000港元 |
| N/A不適用        | 105,861,138*    |

\* 截至二零零六年三月三十一日止年度之普通股股份加權平均數已予以重列，以反映於截至二零零七年三月三十一日止年度內進行之公開發售(附註29(b))。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 11. DISCONTINUED OPERATIONS (continued)

Diluted loss per share amount for the year ended 31 March 2006 has not been disclosed as the convertible note and bonds and share options outstanding during that year had anti-dilutive effects on the basic loss per share from the discontinued operations.

### 12. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company for the year ended 31 March 2007 includes a loss of HK\$3,817,000 (2006: HK\$8,843,000) which has been dealt with in the financial statements of the Company (note 31 (b)).

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

The calculation of basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company for the year of HK\$7,904,000 (2006: HK\$15,994,000), and the weighted average of 218,723,611 (2006: 105,861,138, restated to reflect the open offer during the year ended 31 March 2007 (note 29(b))), ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 March 2007 and 2006 have not been disclosed, as the convertible notes and share options outstanding during these years had anti-dilutive effects on the basic loss per share for these years.

### 11. 已終止經營業務(續)

由於可換股票據及債券及年內尚未行使之購股權截至二零零六年三月三十一日止年度之每股基本虧損具有反攤薄影響，因此並無披露已終止經營業務之每股攤薄虧損金額。

### 12. 本公司權益持有人應佔虧損

於本公司財務報表內處理之截至二零零七年三月三十一日止年度之本公司權益持有人應佔虧損為3,817,000港元(二零零六年：8,843,000港元)(附註31(b))。

### 13. 本公司普通股權益持有人應佔每股虧損

每股基本虧損金額乃按照本年度之本公司權益持有人應佔本年度虧損淨額7,904,000港元(二零零六年：15,994,000港元)及本年度已發行普通股之加權平均數218,723,611股(二零零六年：105,861,138股，經重列以反映於截至二零零七年三月三十一日止年度內進行之公開發售(附註29(b)))計算。

由於可換股票據及年內尚未行使之購股權對截至二零零七年及二零零六年三月三十一日止年度之每股基本虧損具有反攤薄影響，因此並無披露該兩個年度之每股攤薄虧損金額。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

#### Group

#### 本集團

|                                                                        |                                | Leasehold<br>improvements | Moulds,<br>plant and<br>machinery | Furniture,<br>fixtures,<br>equipment<br>and motor<br>vehicles | Construction<br>in progress | Total     |
|------------------------------------------------------------------------|--------------------------------|---------------------------|-----------------------------------|---------------------------------------------------------------|-----------------------------|-----------|
|                                                                        |                                | 物業裝修                      | 廠房及機器                             | 傢俬、裝置、<br>設備及汽車                                               | 在建工程                        | 合計        |
|                                                                        |                                | 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       |
| 31 March 2007                                                          | 二零零七年三月三十一日                    |                           |                                   |                                                               |                             |           |
| At 31 March 2006 and<br>at 1 April 2006:                               | 於二零零六年三月三十一日<br>及於二零零六年四月一日：   |                           |                                   |                                                               |                             |           |
| Cost                                                                   | 成本                             | 24                        | 88,302                            | 1,592                                                         | 32,288                      | 122,206   |
| Accumulated depreciation<br>and impairment                             | 累積折舊及<br>減值                    | (8)                       | (88,302)                          | (1,340)                                                       | (32,288)                    | (121,938) |
| Net carrying amount                                                    | 賬面淨值                           | 16                        | -                                 | 252                                                           | -                           | 268       |
| At 1 April 2006, net of<br>accumulated depreciation<br>and impairment  | 於二零零六年四月一日，<br>扣除累積折舊及<br>減值   | 16                        | -                                 | 252                                                           | -                           | 268       |
| Additions                                                              | 添置                             | -                         | -                                 | 15                                                            | -                           | 15        |
| Depreciation provided<br>during the year                               | 本年度<br>折舊                      | (7)                       | -                                 | (139)                                                         | -                           | (146)     |
| Exchange realignment                                                   | 匯兌調整                           | 1                         | -                                 | 25                                                            | -                           | 26        |
| At 31 March 2007, net of<br>accumulated depreciation<br>and impairment | 於二零零七年三月<br>三十一日：<br>扣除累積折舊及減值 | 10                        | -                                 | 153                                                           | -                           | 163       |
| At 31 March 2007:                                                      | 於二零零七年三月三十一日：                  |                           |                                   |                                                               |                             |           |
| Cost                                                                   | 成本                             | 25                        | -                                 | 1,650                                                         | 32,288                      | 33,963    |
| Accumulated depreciation<br>and impairment                             | 累積折舊及<br>減值                    | (15)                      | -                                 | (1,497)                                                       | (32,288)                    | (33,800)  |
| Net carrying amount                                                    | 賬面淨值                           | 10                        | -                                 | 153                                                           | -                           | 163       |

NOTES TO FINANCIAL STATEMENTS  
 財務報表附註

31 March 2007 二零零七年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、廠房及設備(續)

Group

本集團

|                                                                  |                        | Buildings | Leasehold improvements | Moulds, plant and machinery | Furniture, fixtures, equipment and motor vehicles | Construction in progress | Total     |
|------------------------------------------------------------------|------------------------|-----------|------------------------|-----------------------------|---------------------------------------------------|--------------------------|-----------|
|                                                                  |                        | 樓宇        | 物業裝修                   | 模具、廠房及機器                    | 傢俬、裝置、設備及汽車                                       | 在建工程                     | 合計        |
|                                                                  |                        | 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       |
| 31 March 2006                                                    | 二零零六年三月三十一日            |           |                        |                             |                                                   |                          |           |
| At 1 April 2005:                                                 | 於二零零五年四月一日:            |           |                        |                             |                                                   |                          |           |
| Cost or valuation                                                | 成本或估值                  | 23,170    | 22,544                 | 89,023                      | 5,043                                             | 32,288                   | 172,068   |
| Accumulated depreciation and impairment                          | 累積折舊及減值                | -         | (22,438)               | (82,315)                    | (4,356)                                           | (32,288)                 | (141,397) |
| Net carrying amount                                              | 賬面淨值                   | 23,170    | 106                    | 6,708                       | 687                                               | -                        | 30,671    |
| At 1 April 2005, net of accumulated depreciation and impairment  | 於二零零五年四月一日, 扣除累積折舊及減值  | 23,170    | 106                    | 6,708                       | 687                                               | -                        | 30,671    |
| Additions                                                        | 添置                     | -         | -                      | 185                         | 296                                               | -                        | 481       |
| Disposals                                                        | 出售                     | -         | (5)                    | (772)                       | (82)                                              | -                        | (859)     |
| Impairment                                                       | 減值                     | -         | (46)                   | (3,501)*                    | (326)                                             | -                        | (3,873)   |
| Depreciation provided during the year                            | 本年度折舊                  | (1,303)   | (39)                   | (2,620)                     | (323)                                             | -                        | (4,285)   |
| Transfer to investment properties (note 15)                      | 轉撥至投資物業 (附註15)         | (21,867)  | -                      | -                           | -                                                 | -                        | (21,867)  |
| At 31 March 2006, net of accumulated depreciation and impairment | 於二零零六年三月三十一日 扣除累積折舊及減值 | -         | 16                     | -                           | 252                                               | -                        | 268       |
| At 31 March 2006:                                                | 於二零零六年三月三十一日:          |           |                        |                             |                                                   |                          |           |
| Cost                                                             | 成本                     | -         | 24                     | 88,302                      | 1,592                                             | 32,288                   | 122,206   |
| Accumulated depreciation and impairment                          | 累積折舊及減值                | -         | (8)                    | (88,302)                    | (1,340)                                           | (32,288)                 | (121,938) |
| Net carrying amount                                              | 賬面淨值                   | -         | 16                     | -                           | 252                                               | -                        | 268       |



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

- \* The Group has discontinued its toddler cars segment, cycling segment and other toys segment after the disposal of the GY Group during the year ended 31 March 2006. As a result, the directors are of the opinion that the recoverable value of the relevant moulds, plant and machinery for manufacturing of toys is minimal. Accordingly, a full provision for impairment was made for these moulds, plant and machinery.

#### Company

|                                              |               |
|----------------------------------------------|---------------|
| At 1 April:                                  | 於四月一日：        |
| Cost                                         | 成本            |
| Accumulated depreciation                     | 累積折舊          |
| Net carrying amount                          | 賬面淨值          |
| At 1 April, net of accumulated depreciation  | 於四月一日，扣除累積折舊  |
| Depreciation provided during the year        | 本年度折舊         |
| At 31 March, net of accumulated depreciation | 於三月三十一日扣除累積折舊 |
| At 31 March:                                 | 於三月三十一日：      |
| Cost                                         | 成本            |
| Accumulated depreciation                     | 累積折舊          |
| Net carrying amount                          | 賬面淨值          |

### 14. 物業、廠房及設備(續)

- \* 本集團於截至二零零六年三月三十一日止年度內出售源製集團後，已終止經營其學行車、腳踏車及其他玩具之業務。因此，董事認為，供製造玩具之相關模具、廠房及機器之可收回金額屬微不足道，故此已就該等模具、廠房及機器之減值作出全數撥備。

#### 本公司

#### Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、設備及汽車

| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------------------|
| 631                              | 631                              |
| (619)                            | (610)                            |
| 12                               | 21                               |
| 12                               | 21                               |
| (3)                              | (9)                              |
| 9                                | 12                               |
| 631                              | 631                              |
| (622)                            | (619)                            |
| 9                                | 12                               |

NOTES TO FINANCIAL STATEMENTS  
 財務報表附註

31 March 2007 二零零七年三月三十一日

15. INVESTMENT PROPERTIES

15. 投資物業

|                                                   |                  | Group<br>本集團                     |                                  |
|---------------------------------------------------|------------------|----------------------------------|----------------------------------|
|                                                   |                  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| Cost:                                             | 成本：              |                                  |                                  |
| At 1 April                                        | 於四月一日            | 21,867                           | —                                |
| Transfer from owner-occupied properties (note 14) | 轉撥自業主自用物業 (附註14) | —                                | 21,867                           |
| Exchange realignment                              | 匯兌調整             | 1,531                            | —                                |
| At 31 March                                       | 於三月三十一日          | 23,398                           | 21,867                           |
| Accumulated depreciation and impairment:          | 累積折舊及減值：         |                                  |                                  |
| At 1 April                                        | 於四月一日            | 430                              | —                                |
| Depreciation provided for the year                | 本年度折舊            | 2,312                            | 430                              |
| Impairment                                        | 減值               | 446                              | —                                |
| Exchange realignment                              | 匯兌調整             | 22                               | —                                |
| At 31 March                                       | 於三月三十一日          | 3,210                            | 430                              |
| Net book value:                                   | 賬面淨值：            |                                  |                                  |
| At 31 March                                       | 於三月三十一日          | 20,188                           | 21,437                           |

The aggregate fair value of the Group's investment properties as at 31 March 2007 was HK\$21,330,000 (2006: HK\$21,560,000) based on valuation (the "Valuation") performed by Knight Frank Petty Limited, a firm of independent professionally qualified valuers, on a direct comparison approach at 31 March 2007. Based on the Valuation, the directors determined that, certain of the Group's investment properties were impaired as their carrying values before impairment were higher than their recoverable amounts. As a result, an impairment loss of HK\$446,000 was charged to the consolidated income statement for the year.

At 31 March 2007, the Group's investment properties with a carrying value of approximately HK\$15,620,000 (2006: HK\$21,437,000) were pledged to secure general banking facilities granted to the Group (note 24).

本集團之投資物業於二零零七年三月三十一日之公平價值總值為21,330,000港元(二零零六年：21,560,000港元)，有關數額乃根據獨立專業合資格估值師萊坊測計師行有限公司於二零零七年三月三十一日按直接比較法進行之估值(「估值」)釐定。根據估值，董事確定本集團若干投資物業出現減值，而有關物業於減值前之賬面值高於其價值。因此，已於本年度之綜合收益表扣除減值虧損446,000港元。

於二零零七年三月三十一日，賬面值約15,620,000港元(二零零六年：21,437,000港元)之本集團投資物業已作抵押，以取得本集團獲授之一般銀行信貸(附註24)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 16. PREPAID LAND LEASE PAYMENTS

|                                                    |                     |
|----------------------------------------------------|---------------------|
| Carrying amount<br>at 1 April                      | 於四月一日之賬面值           |
| Recognised during the year<br>Exchange realignment | 於本年度確認<br>匯兌調整      |
| Carrying amount at 31 March<br>Current portion     | 於三月三十一日之賬面值<br>流動部分 |
| Non-current portion                                | 非流動部分               |

The prepaid land lease payments are paid for the right to use certain lands under long term leases in Mainland China.

Pursuant to various sale and purchase agreements (the "S&P Agreements") entered into between the Group and an independent third party, during the years 1998 and 1999, the Group acquired certain land use rights (the "Land") in Mainland China with a carrying value of HK\$26,354,000 as at 31 March 2007. Pursuant to the S&P Agreements, the Group is required to pay an annual fee of HK\$126,000 in respect of the Land commencing from 2008 up to 2048 with a 20% increment for every five years starting from 2008 (note 34).

The Group has not yet obtained the land use rights certificate for the Land. Having consulted with the Group's Mainland China lawyers, the directors considered that the Group has the right to use the Land and after the payment of a premium of approximately HK\$17,683,000 and attending the necessary administrative procedures, the Group should be able to obtain the land use rights certificate for the Land.

### 16. 預付土地租賃款項

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 30,544                           | 31,272                           |
|  |  | (779)                            | (728)                            |
|  |  | 2,138                            | —                                |
|  |  | 31,903                           | 30,544                           |
|  |  | (779)                            | (728)                            |
|  |  | 31,124                           | 29,816                           |

預付土地租賃款項乃就按長期租約使用位於中國大陸之若干土地之權利而支付。

於一九九八年及一九九九年期間，根據本集團與獨立第三方訂立之多項買賣協議（「買賣協議」），本集團於中國大陸收購若干土地使用權（「該土地」），該土地於二零零七年三月三十一日之賬面值為26,354,000港元。根據買賣協議，由二零零八年開始直至二零四八年為止，本集團須就該土地支付年費126,000港元，並須自二零零八年起每五年增加20%（附註34）。

本集團並未就該土地獲得土地使用權證。在諮詢本集團之中國律師後，董事認為，本集團有權使用該土地。於支付土地溢價約17,683,000港元及辦理所需之行政手續後，本集團應可申取該土地之土地使用權證。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 16. PREPAID LAND LEASE PAYMENTS (continued)

At 31 March 2007, the Group's prepaid land lease payments with a carrying value of HK\$2,149,000 (2006: HK\$4,128,000) were pledged to secure general banking facilities granted to the Group (note 24).

### 17. GOODWILL

Goodwill arising from the acquisition of additional 24% interest in Xin Procurement & Trading Pte. Ltd. ("Xin Procurement") from the minority shareholder, Huang & Co (Singapore) Pte. Ltd. ("HCSPL"), is related to the procurement business cash-generating unit.

The recoverable amount of the procurement business cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management.

Key assumptions were used in the value in use calculation of the procurement business cash-generating unit for 31 March 2007. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

*Budgeted gross margins* – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year.

*Discount rate* – The discount rate used (8%) is before tax and reflects specific risks relating to the relevant unit.

### 16. 預付土地租賃款項(續)

於二零零七年三月三十一日，價值2,149,000港元(二零零六年：4,128,000港元)之本集團預付土地租賃款項已作抵押，以取得本集團獲授之一般銀行信貸(附註24)。

### 17. 商譽

從一名少數股東Huang & Co (Singapore) Pte. Ltd. (「HCSPL」)收購Xin Procurement & Trading Pte. Ltd. (「Xin Procurement」)之額外24%權益產生之商譽涉及採購業務現金產生單位。

採購業務現金產生單位之可收回款額已根據使用價值計算法，按高級管理層所批准涵蓋五年期間之財務預算所計算現金流量預測而釐定。

就二零零七年三月三十一日之採購業務現金產生單位採用使用價值計算法時已運用用主要假設。以下說明管理層以現金流量預測進行商譽減值測試時採用之各項主要假設：

*預算毛利率* – 用作釐定劃分至預算毛利率之價值所採用之基準為於緊接預算年度前年度達致之平均毛利率。

*折讓率* – 所採用折讓率(8%)為除稅前及反映涉及有關單位之特定風險。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 18. INVESTMENTS IN SUBSIDIARIES AND AN AMOUNT DUE FROM A SUBSIDIARY

|                                |             |
|--------------------------------|-------------|
| Unlisted shares, at cost       | 非上市股份，以成本值計 |
| Less: Provision for impairment | 減：減值撥備      |
| Due from a subsidiary          | 一間附屬公司欠款    |
| Less: Provision for impairment | 減：減值撥備      |

The amount due from a subsidiary included in the Company's current assets is unsecured, interest-free and has no fixed terms of repayment. The carrying amount of this amount due from a subsidiary, after provision for impairment, approximates to its fair value.

An impairment loss of HK\$966,000 in respect of the amount due from a subsidiary was reversed in the current year because the subsidiary of the Group had improved financial position as at the balance sheet date.

### 18. 於附屬公司之投資及應收一間附屬公司之款項

| Company<br>本公司                   |                                  |
|----------------------------------|----------------------------------|
| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| 68,709                           | 68,709                           |
| (68,709)                         | (68,709)                         |
| -                                | -                                |
| 219,615                          | 212,467                          |
| (211,501)                        | (212,467)                        |
| 8,114                            | -                                |
| 8,114                            | -                                |

計入本公司之流動資產之附屬公司欠款為無抵押、免息及無固定還款期。應收一間附屬公司款項除去減值虧損後之賬面值與其公平價值相若。

就應收一間附屬公司款項之減值虧損966,000港元已於本年度撥回，原因為本集團之該附屬公司於結算日之財務狀況有所改善。

NOTES TO FINANCIAL STATEMENTS  
 財務報表附註

31 March 2007 二零零七年三月三十一日

18. INVESTMENTS IN SUBSIDIARIES AND AN AMOUNT DUE FROM A SUBSIDIARY (continued)

Particulars of the Company's principal subsidiaries are as follows:

18. 於附屬公司之投資及應收一間附屬公司之款項 (續)

本公司主要附屬公司之資料如下：

| Name<br>名稱                                                                     | Place of incorporation/<br>registration<br>and operations<br>註冊成立/<br>註冊及經營地點 | Nominal<br>value of issued<br>ordinary/registered<br>share capital<br>已發行普通股/<br>註冊股本之面值     | Percentage of<br>equity attributable<br>to the Company |                | Principal<br>activities<br>主要業務                                                              |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|
|                                                                                |                                                                               |                                                                                              | Direct<br>本公司應佔權益百分比<br>直接                             | Indirect<br>間接 |                                                                                              |
| Hung Cheong Holdings Limited<br>雄昌控股有限公司                                       | British Virgin Islands ("BVI")/Hong Kong<br>英屬處女群島 (「英屬處女群島」) / 香港            | Ordinary US\$2,004<br>普通股2,004美元                                                             | 100                                                    | -              | Investment holding<br>投資控股                                                                   |
| Able Market Profits Limited                                                    | BVI<br>英屬處女群島                                                                 | Ordinary US\$1<br>普通股1美元                                                                     | 100                                                    | -              | Investment holding<br>投資控股                                                                   |
| Xin Toys Factory Limited<br>新創玩具廠有限公司                                          | BVI/Hong Kong<br>英屬處女群島 / 香港                                                  | Ordinary US\$4<br>普通股4美元                                                                     | -                                                      | 100            | Dormant<br>暫無營業                                                                              |
| Xin Toys International Limited<br>新創玩具國際有限公司                                   | Hong Kong<br>香港                                                               | Ordinary HK\$2<br>普通股2港元                                                                     | -                                                      | 100            | Dormant<br>暫無營業                                                                              |
| Huang Chiang Chen Hung Cheong Plastics Factory Company Limited<br>黃江鎮雄昌塑膠廠有限公司 | Hong Kong<br>香港                                                               | Ordinary HK\$1,000<br>Non-voting deferred HK\$10,000*<br>普通股1,000港元<br>無投票權遞延股份<br>10,000港元* | -                                                      | 100            | Property holding<br>物業持有                                                                     |
| Xin Procurement                                                                | Singapore<br>新加坡                                                              | Ordinary S\$10,000<br>普通股10,000坡元                                                            | -                                                      | 75**           | Supply and procurement of equipment, goods and services for vessels<br>提供遠洋郵輪之設備、貨品及服務之供應及採購 |
| 東莞新創五金製品有限公司                                                                   | People's Republic of China/Mainland China<br>中華人民共和國 / 中國大陸                   | HK\$5,700,000<br>5,700,000港元                                                                 | -                                                      | 100            | Dormant<br>暫無營業                                                                              |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 18. INVESTMENTS IN SUBSIDIARIES AND AN AMOUNT DUE FROM A SUBSIDIARY (continued)

- \* The non-voting deferred shares carry no rights to dividends other than a fixed non-cumulative dividend at the rate of 5% per annum on the excess of the net profit over HK\$1,000,000,000,000 that the company may determine to distribute in respect of any financial year. On a winding-up, the holders of the non-voting deferred shares are entitled, out of the surplus assets of the company, to a return of the capital paid-up on the non-voting deferred shares held by them, after a total sum of HK\$1 trillion had been distributed in such a winding-up in respect of each of the ordinary shares of the company. Save as described above, the holders of the non-voting deferred shares are not entitled to any participation in the profit or surplus assets of the company and shall not be entitled to receive notice of or to attend or vote at any general meeting of the company.
- \*\* On 28 February 2007, the Group acquired an additional 24% interest in Xin Procurement, which resulted in an increase of the Group's interest in Xin Procurement from 51% at 31 March 2006 to 75% at 31 March 2007. Further details of the acquisition were disclosed in notes 27(b), 32(a)(ii) and 36(a).

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

### 18. 於附屬公司之投資及應收一間附屬公司之款項 (續)

- \* 無投票權遞延股份之持有人，有權收取公司於任何財政年度，本公司可能決定按5%年率派發超出溢利淨額1,000,000,000,000港元之數額之固定非累積股息。除此之外，無投票權遞延股份持有人無權收取股息。清盤時，無投票權遞延股份持有人有權於公司每股普通股獲分派合共1,000,000,000,000港元後，根據彼等持有之無投票權遞延股份，自公司之剩餘資產中獲償還已繳資本。除上述權益外，無投票權遞延股份持有人無權分享公司之溢利或剩餘資產；同時亦無權收取公司之股東大會通告，或出席該等大會並在會上投票。
- \*\* 於二零零七年二月二十八日，本集團收購Xin Procurement之額外24%權益，導致本集團於Xin Procurement之權益由二零零六年三月三十一日之51%增加至二零零七年三月三十一日之75%。收購事項之進一步詳情於附註27(b)、32(a)(ii)及36(a)內披露。

董事認為，上表所列之本公司附屬公司對本年度之業績產生主要影響，或構成本集團資產淨值之主要部分。董事認為，詳述其他附屬公司將導致篇幅過於冗長。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 19. INVENTORIES

|                       |         |
|-----------------------|---------|
| Goods held for resale | 持作轉售之貨品 |
|-----------------------|---------|

### 20. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Accounts receivable are non-interest-bearing. The carrying amounts of the accounts receivable approximate to their fair values.

An aged analysis of the accounts receivable at the balance sheet date, based on invoice date, and net of allowances, is as follows:

|                |          |
|----------------|----------|
| Within 30 days | 30日內     |
| 31 to 60 days  | 31至60日內  |
| 61 to 90 days  | 61至90日內  |
| 91 to 180 days | 91至180日內 |
| Over 180 days  | 超過180日   |

### 19. 存貨

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 1,970                            | 2,073                            |

### 20. 應收賬款

除新客戶一般需要預付款項外，本集團與其客戶之貿易條款以信貸為主，信貸期一般為期一個月，而主要客戶則可延長至三至六個月。每名客戶均有最高信貸限額。高級管理層會定期檢討逾期結餘。應收賬款不計息。應收賬款之賬面值與其公平價值相若。

於結算日，按發票日期及減除撥備後之應收賬款賬齡分析如下：

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 18,939                           | 13,138                           |
|  |  | 18,960                           | 10,629                           |
|  |  | 11,905                           | 13,083                           |
|  |  | 25,337                           | 17,046                           |
|  |  | 728                              | 3,795                            |
|  |  | 75,869                           | 57,691                           |



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 21. CASH AND CASH EQUIVALENTS

|                                                                |                   |
|----------------------------------------------------------------|-------------------|
| Cash and bank balances                                         | 現金及銀行結存           |
| Time deposit:                                                  | 定期存款：             |
| With original maturity of more than three months when acquired | 原定到期日為最初購入時之三個月以上 |

As at 31 March 2007, the Group had cash and bank balances denominated in RMB amounting to approximately HK\$284,000 (2006: HK\$1,216,000) deposited with banks in Mainland China. RMB is not freely convertible into foreign currencies. Under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rate based on daily bank deposit rates. Time deposit is made for one year, and earns interest at the respective time deposit rate. The carrying amounts of the cash and bank balances and the time deposit approximate to their fair values.

### 21. 現金及現金等值物

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 28,225                           | 5,123                            |
|  |  | 1,030                            | —                                |
|  |  | 1,030                            | —                                |
|  |  | 29,255                           | 5,123                            |

於二零零七年三月三十一日，本集團以人民幣列值之現金及銀行結存為284,000港元（二零零六年：1,216,000港元），均存放於中國大陸之銀行作為存款。人民幣不能自由兌換為外幣。根據中國大陸之《外匯管制法規及結匯、售匯及付匯管理規定》，本集團可透過獲認可進行外匯業務之銀行將人民幣兌換為外幣。

存放於銀行之現金根據每日銀行存款利率按浮動利率賺取利息。定期存款為期一年，並按相關定期存款利率賺取利息。現金及銀行結存之賬面值與其公平價值相若。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 22. ACCOUNTS AND BILLS PAYABLE

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

|                |          |
|----------------|----------|
| Within 30 days | 30日內     |
| 31 to 60 days  | 31至60日內  |
| 61 to 90 days  | 61至90日內  |
| 91 to 180 days | 91至180日內 |
| Over 180 days  | 超過180日   |

The accounts payable are non-interest-bearing and are normally settled on 60-day terms. The carrying amounts of the accounts payable approximate to their fair values. Included in the above are bills payable of HK\$265,000 (2006: Nil) which are within 30 days.

### 23. OTHER PAYABLES AND ACCRUALS

|                |        |
|----------------|--------|
| Other payables | 其他應付賬款 |
| Accruals       | 應計款項   |

### 22. 應付賬款及應付票據

於結算日，按發票日期之應付賬款及應付票據賬齡分析如下：

|  |  | Group<br>本集團                     |                                  |
|--|--|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 12,322                           | 6,848                            |
|  |  | 3,410                            | 2,868                            |
|  |  | 517                              | 372                              |
|  |  | 338                              | 591                              |
|  |  | 4,432                            | 2,246                            |
|  |  | <b>21,019</b>                    | <b>12,925</b>                    |

應付賬款乃不計息及一般於60日內結賬。應付賬款之賬面值與其公平價值相若。應付賬款及票據包括應付票據265,000港元(二零零六年：無)，其賬齡為30日內。

### 23. 其他應付賬款及應計款項

|  |  | Group<br>本集團                     |                                  | Company<br>本公司                   |                                  |
|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  |  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|  |  | 349                              | 4,479                            | 6                                | 102                              |
|  |  | 22,633                           | 18,016                           | 1,872                            | 2,247                            |
|  |  | <b>22,982</b>                    | <b>22,495</b>                    | <b>1,878</b>                     | <b>2,349</b>                     |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 24. INTEREST-BEARING BANK AND OTHER BORROWINGS

|                     |        | Effective<br>interest rate<br>(%)<br>實際利率(%) | Maturity<br>到期日 |
|---------------------|--------|----------------------------------------------|-----------------|
| Bank loans          | 銀行貸款   |                                              |                 |
| – secured           | – 有抵押  | 6.138                                        | 1 year年         |
| Trust receipt loans | 信託收據貸款 |                                              |                 |
| – secured           | – 有抵押  | 8                                            | 90 days日        |
| Other loan          | 其他貸款   |                                              |                 |
| – unsecured         | – 無抵押  | 4                                            | 1 year年         |

At 31 March 2007, the bank loan facilities of the Group were supported by:

- certain investment properties and prepaid land lease payments of the Group in Mainland China with an aggregate carrying value of approximately HK\$17,769,000 (2006: HK\$25,565,000) (notes 15 and 16);
- corporate guarantees executed by a subsidiary of the Company;
- a corporate guarantee executed by HCSPL;
- a personal guarantee executed by Mr. Ng (Huang) Cheow Leng, a parent of certain directors of the Company and a substantial shareholder of the Company; and
- certain bank deposits of HCSPL of not less than S\$5,000,000 (equivalent to HK\$25,750,000).

All the interest-bearing bank and other borrowings bear interest at fixed rates. The carrying amounts of the Group's and the Company's borrowings approximate to their fair values.

### 24. 計息銀行借款及其他借款

|  |  | Group<br>本集團    |                 | Company<br>本公司  |                 |
|--|--|-----------------|-----------------|-----------------|-----------------|
|  |  | 2007<br>二零零七年   | 2006<br>二零零六年   | 2007<br>二零零七年   | 2006<br>二零零六年   |
|  |  | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
|  |  | 11,550          | 15,884          | –               | –               |
|  |  | 529             | –               | –               | –               |
|  |  | –               | 2,000           | –               | 2,000           |
|  |  | 12,079          | 17,884          | –               | 2,000           |

於二零零七年三月三十一日，本集團之銀行融資以下列各項作為抵押：

- 本集團賬面總值約17,769,000港元(二零零六年：25,565,000港元)之若干中國大陸租賃土地及樓宇(附註15及16)；
- 本公司若干附屬公司作出之公司擔保；
- HCSPL簽立之公司擔保；
- 本公司若干董事之父母及本公司主要股東黃昭麟先生簽立之個人擔保；及
- HCSPL不少於5,000,000坡元(相等於25,750,000港元)之若干銀行存款。

計息銀行借款及其他借款全部均以固定利率計息。本集團及本公司之流動借款之賬面值與其公平價值相若。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 25. LOAN FROM A MINORITY SHAREHOLDER

The loan was advanced by a minority shareholder of one of the Group's subsidiaries. The loan is unsecured and interest-free. Pursuant to the shareholders' agreements entered into between the Group and the minority shareholder of the relevant subsidiary, the minority shareholder has agreed not to demand the repayment of the loan until the relevant subsidiary has the ability to do so and has obtained prior consent from the Group for the repayment of the loan. The carrying amount of the loan from a minority shareholder approximates to its fair value.

### 26. DUE TO A MINORITY SHAREHOLDER AND A RELATED COMPANY

The amounts due to a minority shareholder and a related company are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due to a minority shareholder and a related company approximate to their fair values.

### 27. CONVERTIBLE NOTES

Convertible note issued to Vision Century  
 發行予Vision Century之可換股票據

Convertible note issued to HCSPL  
 發行予HCSPL之可換股票據

### 25. 一位少數股東提供之貸款

該等貸款由本集團其中一間附屬公司之一位少數股東提供。貸款為無抵押及免息。根據本集團與有關附屬公司之少數股東訂立之股東協議，少數股東已同意不會要求償還該等貸款，除非有關附屬公司有償還且少數股東已事先取得本集團就償還貸款作出之同意。少數股東提供之貸款之賬面值與其公平價值相若。

### 26. 應付一位少數股東及一間關連公司之款項

應付一位少數股東及一間關連公司之款項並無抵押、免息及無固定還款期。應付一位少數股東及有一間關連公司之款項之賬面值與其公平價值相若。

### 27. 可換股票據

| Notes<br>附註 | Group and Company<br>本集團及本公司     |                                  |
|-------------|----------------------------------|----------------------------------|
|             | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| (a)         | 13,658                           | 26,674                           |
| (b)         | 5,878                            | —                                |
|             | <b>19,536</b>                    | <b>26,674</b>                    |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 27. CONVERTIBLE NOTES (continued)

Notes:

- (a) On 30 March 2006, the Company issued a convertible note in the principal amount of HK\$37,000,000 to Vision Century, as part of the consideration for the release and discharge of the Group from all of its obligations and liabilities in respect of a loan advanced by Vision Century (the "Old Convertible Note"). Vision Century has the right to convert the outstanding principal amount of the convertible note into shares at any time before 29 March 2009 at the conversion price of HK\$0.141 per conversion share, which was adjusted to reflect the Company's open offer (note 29(b)). The Old Convertible Note carries interest at a rate of 1% per annum, which is payable semi-annually in arrears on 31 March and 30 September.

In March 2007, two conversions in an aggregate principal amount of HK\$20,000,000 of the Old Convertible Note were made by Vision Century, which resulted in a total number of 141,843,970 ordinary shares of HK\$0.01 each being issued by the Company. After the conversions, the outstanding principal amount of the Old Convertible Note was reduced to HK\$17,000,000 as at 31 March 2007.

- (b) On 28 February 2007, the Company issued a convertible note in the principal amount of HK\$7,126,560 to HCSPL, as consideration for the acquisition of an additional 24% interest in Xin Procurement and the rights of and benefits in a shareholder's loan of S\$120,000 (equivalent to HK\$618,000) from HCSPL, the minority shareholder of Xin Procurement (the "New Convertible Note"). HCSPL has the right to convert the outstanding principal amount of the New Convertible Note into shares at any time before 27 February 2010 at a conversion price of HK\$0.17 per conversion share. The New Convertible Note carries interest at 1% per annum, which is payable semi-annually in arrears on 31 March and 30 September.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

### 27. 可換股票據(續)

附註：

- (a) 於二零零六年三月三十日，本公司向 Vision Century 發行本金額 37,000,000 港元之可換股票據，作為解除及免除本集團就 Vision Century 所墊付貸款而承擔之一切責任及負債之部分代價（「舊可換股票據」）。Vision Century 有權於二零零九年三月二十九日前隨時將尚未償還之可換股票據本金額按換股價每股兌換股份 0.141 港元轉換為股份，而換股價已調整以反映本公司之公開發售（附註 29(b)）。舊可換股票據按年利率一厘計息，須於每年三月三十一日及九月三十日每半年到期時支付一次。

於二零零七年三月，Vision Century 已進行兩次涉及本金總額 20,000,000 港元之舊可換股票據兌換，導致本公司發行合共 141,843,970 股每股面值 0.01 港元之普通股。於兌換後，於二零零七年三月三十一日，尚未償還之舊可換股票據本金額已減少至 17,000,000 港元。

- (b) 於二零零七年二月二十八日，本公司向 HCSPL 發行本金額 7,126,560 港元之可換股票據，作為向 Xin Procurement 之少數股東 HCSPL 收購於 Xin Procurement 之額外 24% 權益及股東貸款 120,000 坡元（相等於 618,000 港元）之權利及利益之代價（「新可換股票據」）。HCSPL 有權於二零一零年二月二十七日前隨時將尚未償還之可換股票據本金額按換股價每股兌換股份 0.17 港元轉換為股份。新可換股票據按年利率一厘計息，須於每年三月三十一日及九月三十日每半年到期時支付一次。

負債部分之公平價值乃於發行日期採用並無兌換選擇權之類似票據之相等市場利率估計。剩餘價值劃分為權益部分及計入股東權益。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 27. CONVERTIBLE NOTES (continued)

Notes: (continued)

The convertible notes issued have been split as to the liability and equity components, as follows:

|                                                                               |                              |          |         |          |
|-------------------------------------------------------------------------------|------------------------------|----------|---------|----------|
| Nominal value of the convertible note issued for the year ended 31 March 2006 | 截至二零零六年三月三十一日止年度已發行可換股票據之賬面值 | 37,000   | –       | 37,000   |
| Equity component                                                              | 權益部分                         | (10,344) | –       | (10,344) |
| Interest expense for the year                                                 | 本年度利息開支                      | 18       | –       | 18       |
| Liability component 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之債務部分  | 26,674   | –       | 26,674   |
| Nominal value of the convertible note issued in current year                  | 於本年度已發行可換股票據之賬面值             | –        | 7,126   | 7,126    |
| Equity component                                                              | 權益部分                         | –        | (1,282) | (1,282)  |
| Interest expense for the year                                                 | 本年度利息開支                      | 3,272    | 39      | 3,311    |
| Interest paid for the year                                                    | 本年度已付利息                      | (270)    | (5)     | (275)    |
| Conversion of convertible note                                                | 兌換可換股票據                      | (16,018) | –       | (16,018) |
| Liability component at 31 March 2007                                          | 於二零零七年三月三十一日之債務部分            | 13,658   | 5,878   | 19,536   |

### 27. 可換股票據 (續)

附註：(續)

已發行之可換股票據已分拆為債務及權益部分如下：

| Old<br>Convertible<br>Note<br>舊可換股<br>票據<br>HK\$'000<br>千港元 | New<br>Convertible<br>Note<br>新可換股<br>票據<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|-------------------------------------------------------------|-------------------------------------------------------------|--------------------------------|
| 37,000                                                      | –                                                           | 37,000                         |
| (10,344)                                                    | –                                                           | (10,344)                       |
| 18                                                          | –                                                           | 18                             |
| 26,674                                                      | –                                                           | 26,674                         |
| –                                                           | 7,126                                                       | 7,126                          |
| –                                                           | (1,282)                                                     | (1,282)                        |
| 3,272                                                       | 39                                                          | 3,311                          |
| (270)                                                       | (5)                                                         | (275)                          |
| (16,018)                                                    | –                                                           | (16,018)                       |
| 13,658                                                      | 5,878                                                       | 19,536                         |

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 28. DEFERRED TAX

The Group has tax losses arising in Hong Kong of HK\$34,986,000 (2006: HK\$25,100,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time.

The Group and the Company had no unprovided deferred tax at 31 March 2007 and 31 March 2006.

#### 29. SHARE CAPITAL

##### Authorised:

10,000,000,000  
 (2006: 10,000,000,000)  
 ordinary shares  
 of HK\$0.01 each

##### 法定股本：

10,000,000,000股  
 (二零零六年：10,000,000,000股)  
 每股面值0.01港元之普通股

##### Issued and fully paid:

474,708,026  
 (2006: 82,704,014)  
 ordinary shares  
 of HK\$0.01 each

##### 已發行及繳足股本：

474,708,026股(二零零六年：  
 82,704,014股)每股面值  
 0.01港元之普通股

#### 28. 遞延稅項

本集團於香港產生之稅項虧損為34,986,000港元(二零零六年：25,100,000港元)，可無限期用作抵銷錄得虧損之公司之未來應課稅溢利。本集團並無就該等虧損確認遞延稅項資產，因該等虧損乃由已錄得虧損一段時間之附屬公司產生。

於二零零七年三月三十一日及二零零六年三月三十一日，本集團及本公司概無任何未提撥遞延稅項。

#### 29. 股本

|  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|--|----------------------------------|----------------------------------|
|  | 100,000                          | 100,000                          |
|  | 4,747                            | 827                              |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 29. SHARE CAPITAL(continued)

A summary of the transactions of the Company's issued ordinary share capital during the years ended 31 March 2006 and 2007 is set out below:

#### Issued capital

|                                              |                           | Notes | Number of<br>shares<br>in issue<br>已發行股份數目 | Issued<br>share<br>capital<br>已發行股本<br>HK\$'000<br>千港元 | Share<br>premium<br>account<br>股份溢價賬<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|----------------------------------------------|---------------------------|-------|--------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|--------------------------------|
| At 1 April 2005                              | 於二零零五年四月一日                |       | 1,654,080,285                              | 16,541                                                 | 59,030                                                  | 75,571                         |
| Capital Reorganisation<br>(as defined below) | 股本重組<br>(定義如下)            | (a)   | (1,571,376,271)                            | (15,714)                                               | (59,030)                                                | (74,744)                       |
| At 31 March 2006<br>and 1 April 2006         | 於二零零六年三月三十一日<br>及二零零六四月一日 |       | 82,704,014                                 | 827                                                    | -                                                       | 827                            |
| Issued on Open Offer<br>(as defined below)   | 公開發售所發行<br>(定義如下)         | (b)   | 248,112,042                                | 2,481                                                  | 27,292                                                  | 29,773                         |
| Issued on conversion of<br>convertible notes | 可換股票據兌換<br>所發行            | (c)   | 141,843,970                                | 1,418                                                  | 20,106                                                  | 21,524                         |
| Share options exercised                      | 行使購股權所發行                  | (d)   | 2,048,000                                  | 21                                                     | 602                                                     | 623                            |
|                                              |                           |       | 474,708,026                                | 4,747                                                  | 48,000                                                  | 52,747                         |
| Share issue expenses                         | 股份發行開支                    |       | -                                          | -                                                      | (1,765)                                                 | (1,765)                        |
| At 31 March 2007                             | 於二零零七年三月三十一日              |       | 474,708,026                                | 4,747                                                  | 46,235                                                  | 50,982                         |

Notes:

- (a) Pursuant to a special resolution passed at a special general meeting of the Company held on 23 May 2005, a capital reorganisation (the "Capital Reorganisation") involving, inter alia, the following steps was implemented:
- (i) a reduction of the nominal value of each issued share from HK\$0.01 to HK\$0.0005 by the cancellation of HK\$0.0095 per share (the "Capital Reduction");
- (ii) the cancellation of the entire amount standing to the credit of the share premium account of the Company (the "Share Premium Cancellation");

### 29. 股本(續)

截至二零零六年及二零零七年三月三十一日止年度進行有關上述本公司已發行普通股股本變動之交易概要載列如下:

#### 已發行股本

|                                              |                           | Notes | Number of<br>shares<br>in issue<br>已發行股份數目 | Issued<br>share<br>capital<br>已發行股本<br>HK\$'000<br>千港元 | Share<br>premium<br>account<br>股份溢價賬<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|----------------------------------------------|---------------------------|-------|--------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|--------------------------------|
| At 1 April 2005                              | 於二零零五年四月一日                |       | 1,654,080,285                              | 16,541                                                 | 59,030                                                  | 75,571                         |
| Capital Reorganisation<br>(as defined below) | 股本重組<br>(定義如下)            | (a)   | (1,571,376,271)                            | (15,714)                                               | (59,030)                                                | (74,744)                       |
| At 31 March 2006<br>and 1 April 2006         | 於二零零六年三月三十一日<br>及二零零六四月一日 |       | 82,704,014                                 | 827                                                    | -                                                       | 827                            |
| Issued on Open Offer<br>(as defined below)   | 公開發售所發行<br>(定義如下)         | (b)   | 248,112,042                                | 2,481                                                  | 27,292                                                  | 29,773                         |
| Issued on conversion of<br>convertible notes | 可換股票據兌換<br>所發行            | (c)   | 141,843,970                                | 1,418                                                  | 20,106                                                  | 21,524                         |
| Share options exercised                      | 行使購股權所發行                  | (d)   | 2,048,000                                  | 21                                                     | 602                                                     | 623                            |
|                                              |                           |       | 474,708,026                                | 4,747                                                  | 48,000                                                  | 52,747                         |
| Share issue expenses                         | 股份發行開支                    |       | -                                          | -                                                      | (1,765)                                                 | (1,765)                        |
| At 31 March 2007                             | 於二零零七年三月三十一日              |       | 474,708,026                                | 4,747                                                  | 46,235                                                  | 50,982                         |

附註:

- (a) 根據本公司於二零零五年五月二十三日舉行之股東特別大會上通過之特別決議案，本公司實施股本重組(「股本重組」)，其中包括下列各項:
- (i) 藉註銷每股股份之面值0.0095港元，將已發行股份之每股面值從0.01港元削減為每股0.0005港元(「股本削減」);
- (ii) 註銷本公司股份溢價賬之進賬額全數(「股份溢價註銷」);



## NOTES TO FINANCIAL STATEMENTS

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#### 29. SHARE CAPITAL (continued)

Notes: (continued)

- (iii) the credit arising from the Capital Reduction and the Share Premium Cancellation were transferred to the contributed surplus account of the Company where they were utilised to eliminate the accumulated losses of the Company as at 30 September 2004; and
- (iv) subject to the forthwith upon the Capital Reduction and Share Premium Cancellation, a consolidation of every 20 issued shares of HK\$0.0005 each into one consolidated share of HK\$0.01 each.
- (b) On 16 October 2006, the Company effected an open offer of 248,112,042 new shares of HK\$0.01 each at HK\$0.12 per share (the "Open Offer") to its qualifying shareholders on the basis of three offer shares for every share held on that date. Cash proceeds of approximately HK\$29,773,000, before the related expenses, were received by the Company.
- (c) In March 2007, two conversions in an aggregate principal amount of HK\$20,000,000 of the Old Convertible Note were made by Vision Century at conversion price of HK\$0.141 per share, resulting in the issue of 141,843,970 ordinary shares of HK\$0.01 each. The conversion resulted in an increase in share capital and share premium account by approximately HK\$1,418,000 and HK\$20,106,000, respectively.
- (d) The subscription rights attaching to 2,048,000 share options were exercised at the subscription price of HK\$0.23 per share (note 30), resulting in the issue of 2,048,000 ordinary shares of HK\$0.01 each for a total cash consideration of HK\$471,000 and the transfer of HK\$152,000 from share option reserve to the share premium account.

#### 29. 股本(續)

附註：(續)

- (iii) 股本削減及股份溢價註銷之所產生進賬額轉撥入本公司之實繳盈餘賬，該等款項已用作抵銷本公司於二零零四年九月三十日之累積虧損；及
- (iv) 待股本削減及股份溢價註銷完成後，並在該等事項之規限下，每二十股每股面值0.0005港元之已發行股份合併為一股每股面值0.01港元之合併股份。
- (b) 於二零零六年十月十六日，本公司實行公開發售，按於該日期每持有一股股份獲發三股發售股份之基準，按每股0.12港元向其合資格股東發售248,112,042股每股面值0.01港元之新股份（「公開發售」）。所得現金款項約29,773,000港元（未計有關開支）已由本公司收悉。
- (c) 於二零零七年三月，Vision Century已按兌換價每股0.141港元，進行兩次涉及本金總額20,000,000港元之舊可換股票據兌換，導致本公司發行141,843,970股每股面值0.01港元之普通股。兌換導致股本及股份溢價賬分別增加約1,418,000港元及20,106,000港元。
- (d) 2,048,000份購股權附帶之認購權已按認購價每股0.23港元行使（附註30），導致發行2,048,000股每股面值0.01港元之普通股，現金總代價為471,000港元，以及將152,000港元從購股權儲備轉撥至股份溢價賬。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 30. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any minority shareholders in the Company's subsidiaries. The Scheme became effective on 30 December 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10%, in nominal amount, of the issued share capital of the Company on the adoption date of the Scheme (the "Scheme Mandate Limit"). Options which lapsed in accordance with the terms of this Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to any director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the grant) in excess of HK\$5,000,000, within any 12-month period, is subject to shareholders' approval in advance in a general meeting.

### 30. 購股權計劃

本公司設有購股權計劃(「該計劃」)，該計劃之目的是對本集團營運成功作出貢獻之合資格參與者給予鼓勵及回報。該計劃之合資格參與者包括本公司之董事(包括獨立非執行董事)、本集團其他僱員、本集團之貨品或服務供應商、本集團之客戶、本公司股東及本公司附屬公司之任何少數股東。該計劃於二零零二年十二月三十日生效，除非另行撤銷或修訂，否則有效期為自該日起計10年。

根據該計劃可能授出之購股權可予發行之股份最多不得超過於採納該計劃日期本公司已發行股本面值之10%(「計劃授權限額」)。計算計劃授權限額時，並不計入根據該計劃條款失效之購股權。於任何十二個月期間內，根據該計劃可發行予各合資格參與者之股份上限數目為本公司已發行股份之1%。凡再授出任何超出此上限之購股權，必須經股東於股東特別大會上批准。

授予本公司任何董事、主要行政人員或主要股東或彼等之任何聯繫人士之購股權須經本公司獨立非執行董事事先批准。此外，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授予任何購股權，倘於任何12個月期間超過本公司任何時間已發行股份之0.1%或總價值(按香港聯合交易所有限公司(「聯交所」)於授出日期刊發之每日報價表所報之本公司股份收市價計算)超過5,000,000港元，則須經股東於股東大會事先批准。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 30. SHARE OPTION SCHEME (continued)

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors or up to the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors in their absolute discretion, but in any event shall not be less than the greatest of (i) the closing price of the Company's shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant of share options; and (iii) the nominal value of the Company's share.

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

#### 30. 購股權計劃(續)

授出購股權之建議可於建議日期起計30日內接納，承授人須支付象徵式代價合共1港元。所授出購股權之行使期由董事釐定或該計劃屆滿日(以較早者為準)終止。

行使價乃由董事會全權釐定，惟不得低於以下最高者：(i)本公司股份於購股權授出日期在聯交所每日報價表所報之收市價；(ii)股份於緊接購股權授出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(iii)本公司之股份面值。

購股權並無賦予其持有人獲分派股息或在股東大會投票之權利。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 30. SHARE OPTION SCHEME (continued)

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

### 30. 購股權計劃(續)

於本年度內根據該計劃尚未行使之購股權如下：

| Name or category of participant<br>參與者姓名或類別 | Number of share options<br>購股權數目 |                                   |                                    |                                  | Date of grant of share options**<br>購股權授出日期** | Exercised period of share options<br>購股權行使期         | Exercise price of share options***<br>購股權行使價***<br>HK\$ per share<br>每股港元 | Price of the Company's shares****<br>本公司股份價格                   |                                                                           |                                                                   |
|---------------------------------------------|----------------------------------|-----------------------------------|------------------------------------|----------------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                             | At 1 April 2006<br>於二零零六年四月一日    | Adjusted during the year<br>於年內調整 | Exercised during the year<br>於年內行使 | At 31 March 2007<br>於二零零七年三月三十一日 |                                               |                                                     |                                                                           | At grant date of options<br>於購股權授出日期<br>HK\$ per share<br>每股港元 | Immediately before the exercise date<br>緊接行使日期前<br>HK\$ per share<br>每股港元 | At exercise date of options<br>於購股權行使日期<br>HK\$ per share<br>每股港元 |
| <b>Directors</b>                            |                                  |                                   |                                    |                                  |                                               |                                                     |                                                                           |                                                                |                                                                           |                                                                   |
| Mr. Lo Ming Chi, Charles<br>勞明智先生           | 800,000                          | 224,000                           | (1,024,000)                        | -                                | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | 0.305                                                                     | 0.29                                                              |
| Mr. Yu Wai Man<br>余偉文先生                     | 800,000                          | 224,000                           | -                                  | 1,024,000                        | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | -                                                                         | -                                                                 |
| Mr. Wilson Ng<br>黃偉盛先生                      | 800,000                          | 224,000                           | -                                  | 1,024,000                        | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | -                                                                         | -                                                                 |
| Mr. Ng Wee Keat<br>黃偉傑先生                    | 800,000                          | 224,000                           | -                                  | 1,024,000                        | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | -                                                                         | -                                                                 |
| Mr. Ng Eng Leng<br>黃應麟先生                    | 800,000                          | 224,000                           | -                                  | 1,024,000                        | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | -                                                                         | -                                                                 |
|                                             | 4,000,000                        | 1,120,000                         | (1,024,000)                        | 4,096,000                        |                                               |                                                     |                                                                           |                                                                |                                                                           |                                                                   |
| Other employees<br>其他僱員                     | 800,000                          | 224,000                           | (1,024,000)                        | -                                | 29-07-2005<br>二零零五年七月二十九日                     | 29-07-2005 to 28-07-2007<br>二零零五年七月二十九日至二零零七年七月二十八日 | 0.23                                                                      | 0.295                                                          | 0.305                                                                     | 0.29                                                              |
|                                             | 4,800,000*                       | 1,344,000*                        | (2,048,000)                        | 4,096,000                        |                                               |                                                     |                                                                           |                                                                |                                                                           |                                                                   |

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

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### 30. SHARE OPTION SCHEME (continued)

- \* The aggregate number of shares subject to the Scheme was adjusted from 4,800,000 to 6,144,000 during the year as a result of the Open Offer (note 29(b)).
- \*\* The share options granted to directors and other employees are vested upon granted.
- \*\*\* The exercise price of the share options is subject to adjustments in the case of capitalisation of profits or reserve, rights or bonus issues, consolidation, subdivision or reduction of the share capital or other alternative in the capital structure of the Company. During the year, the exercise price of the share options was adjusted from HK\$0.295 per share to HK\$0.23 per share as a result of the Open Offer (note 29(b)).
- \*\*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the closing price as stated in the daily quotations sheets issued by the Stock Exchange on the trading day immediately prior to the date of the grant of the options. The price of the Company's share immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options are exercised over all of the exercises of options within the disclosure line.

The 2,048,000 share options exercised during the year resulted in the issue of 2,048,000 ordinary shares of the Company, new share capital of HK\$21,000, share premium of HK\$602,000 and the reduction of share option reserve of HK\$152,000, as further detailed in note 29(d) to the financial statements.

At the balance sheet date, the Company had 4,096,000 share options outstanding under the Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 4,096,000 additional ordinary shares of the Company, additional share capital of HK\$41,000 and share premium of HK\$1,206,000 (before issue expenses), and reduction of share premium option reserve of HK\$305,000.

Subsequent to the balance sheet date, on 30 April 2007 and 31 May 2007, the remaining 4,096,000 share options were exercised by the directors of the Company, resulting in the issue of 4,096,000 ordinary shares of the Company.

### 30. 購股權計劃(續)

- \* 於年內該計劃涉及之股份總數已因公開發售而由4,800,000股調整至6,144,000股(附註29(b))。
- \*\* 授予董事及其他僱員之購股權於授出時歸屬。
- \*\*\* 倘溢利及儲備撥充資本、進行供股或派發紅股、股份合併或分拆或股本削減，或本公司之股本架構有其他變動，則購股權之行使價須予調整。於年內，購股權之行使價已因公開發售而由每股0.295港元調整至每股0.23港元(附註29(b))。
- \*\*\*\* 於購股權授出日期披露之本公司股份價格乃股份於緊接購股權授出日期前一個交易日在聯交所之每日報價表所報之收市價。緊接購股權行使日期前之本公司股份價格乃緊接購股權行使日期前之聯交所加權平均收市價除以於披露範圍內所有行使之購股權。

於年內行使之2,048,000份購股權導致發行2,048,000股本公司普通股、新股本21,000港元、股份溢價602,000港元及削減購股權儲備152,000港元，如財務報表附註29(d)進一步詳述。

於結算日，根據該計劃，本公司有4,096,000份購股權尚未行使。在本公司現有股本架構下，悉數行使餘下之購股權將導致發行4,096,000股本公司額外普通股、額外股本41,000港元及扣除發行開支前股份溢價1,206,000港元及削減購股權儲備305,000港元。

於結算日後，於二零零七年四月三十日及二零零七年五月三十一日，餘下4,096,000份購股權已經由本公司董事行使，導致發行4,096,000股本公司普通股。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 30. SHARE OPTION SCHEME (continued)

At the date of approval of these financial statements, the Company had no share options outstanding under the Scheme.

### 31. RESERVES/(DEFICITS)

#### (a) Group

The amounts of the Group's reserves/(deficits), and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

#### (b) Company

### 30. 購股權計劃(續)

於本財務報表批准日期，根據該計劃，本公司並無購股權尚未行使。

### 31. 儲備／(虧絀)

#### (a) 本集團

本年度及以往年度本集團之儲備／(虧絀)及其變動數額列於財務報表之綜合權益變動表。

#### (b) 本公司

|                                            |                                | Share<br>premium<br>account<br>股份溢價賬<br>HK\$'000<br>千港元 | Contributed<br>surplus<br>實繳盈餘<br>HK\$'000<br>千港元 | Share<br>option<br>reserve<br>購股權儲備<br>HK\$'000<br>千港元 | Accumulated<br>losses<br>累積虧損<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|--------------------------------------------|--------------------------------|---------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|--------------------------------|
| At 1 April 2005                            | 於二零零五年<br>四月一日                 | 59,030                                                  | -                                                 | -                                                      | (108,039)                                        | (49,009)                       |
| Capital Reorganisation                     | 股本重組                           | (59,030)                                                | 3,085                                             | -                                                      | 71,659                                           | 15,714                         |
| Redemption of<br>convertible bonds         | 贖回可換股<br>債券                    | -                                                       | -                                                 | -                                                      | 517                                              | 517                            |
| Equity-settled share<br>option arrangement | 以權益結算之<br>購股權安排                | -                                                       | -                                                 | 466                                                    | -                                                | 466                            |
| Share options lapsed<br>during the year    | 於年內失效之<br>購股權                  | -                                                       | -                                                 | (9)                                                    | 9                                                | -                              |
| Loss for the year                          | 本年度虧損                          | -                                                       | -                                                 | -                                                      | (8,843)                                          | (8,843)                        |
| At 31 March 2006<br>and 1 April 2006       | 於二零零六年三月<br>三十一日及二零零六年<br>四月一日 | -                                                       | 3,085                                             | 457                                                    | (44,697)                                         | (41,155)                       |
| Shares issued on<br>the Open Offer         | 按公開發售發行之<br>股份                 | 27,292                                                  | -                                                 | -                                                      | -                                                | 27,292                         |
| Conversion of the Old<br>Convertible Note  | 兌換舊可換股<br>票據                   | 20,106                                                  | -                                                 | -                                                      | -                                                | 20,106                         |
| Share options exercised<br>during the year | 於年內行使之<br>購股權                  | 602                                                     | -                                                 | (152)                                                  | -                                                | 450                            |
| Share issue expenses                       | 股份發行開支                         | (1,765)                                                 | -                                                 | -                                                      | -                                                | (1,765)                        |
| Loss for the year                          | 本年度虧損                          | -                                                       | -                                                 | -                                                      | (3,817)                                          | (3,817)                        |
| At 31 March 2007                           | 於二零零七年三月<br>三十一日               | 46,235                                                  | 3,085                                             | 305                                                    | (48,514)                                         | 1,111                          |

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 31. RESERVES/(DEFICITS) (continued)

##### (b) Company (continued)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulated losses should the related options expire or be forfeited.

#### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

##### (a) Major non-cash transactions

The Group had the following major non-cash transactions during the years ended 31 March 2006 and 2007:

- (i) On 28 February 2007, Xin Procurement declared and approved an interim dividend of approximately HK\$36,236,000, of which HK\$17,757,000 was payable to the Group's minority shareholder, which was settled through an amount due to the minority shareholder.
- (ii) On 28 February 2007, the Group acquired an additional 24% interest in Xin Procurement and the rights of and benefits in a shareholders' loan of S\$120,000 (equivalent to HK\$618,000) from HCSPL at a consideration of HK\$7,126,560. The consideration of the acquisition was settled by issuing the New Convertible Note of principal amount of HK\$7,126,560 by the Company to HCSPL.
- (iii) In March 2007, two conversions in an aggregate principal amount of HK\$20,000,000 of the Old Convertible Note were made by Vision Century, which did not result in any cash flows. The conversions resulted in a decrease of the liability component of the convertible note by HK\$16,018,000 and an increase in other payables and accruals by HK\$85,000, representing the unpaid interest accrued to the portion of the Old Convertible Note converted.

#### 31. 儲備／(虧絀) (續)

##### (b) 本公司 (續)

購股權儲備包括已授出而有待行使之購股權之公平價值，詳情於財務報表附註2.4以股份付款之交易之會計政策進一步解釋。當有關購股權被行使時，有關款額將會轉撥至股份溢價賬，或倘有關購股權屆滿或被沒收時，則有關款額將轉撥至累積虧損。

#### 32. 綜合現金流量表附註

##### (a) 主要非現金交易

於截至二零零六年及二零零七年三月三十一日止年度內，本集團曾進行以下主要非現金交易：

- (i) 於二零零七年二月二十八日，Xin Procurement宣派及批准中期股息約36,236,000港元，其中17,757,000港元已支付予本集團之少數股東，並透過應付少數股東款項之方式支付。
- (ii) 於二零零七年二月二十八日，本集團向HCSPL收購於Xin Procurement之額外24%權益及股東貸款120,000坡元(相等於618,000港元)之權利及利益，代價為7,126,560港元。收購事項之代價由本公司向HCSPL發行本金額7,126,560港元之新可換股票據支付。
- (iii) 於二零零七年三月，Vision Century已進行兩次涉及本金總額20,000,000港元之舊可換股票據兌換，並無導致任何現金流量。兌換導致可換股票據之債務部分減少16,018,000港元以及其他應付款項及應計款項增加85,000港元，相等於已兌換舊可換股票據部分之應計未付利息。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

#### (a) Major non-cash transactions (continued)

- (iv) On 30 March 2006, HK\$37,856,000 (being the principal amount of a loan of HK\$31,378,000 and accrued interest of HK\$6,478,000) was owed by the Company to Vision Century. On the same date, the Company issued to Vision Century a convertible note in the principal amount of HK\$37,000,000 as part of the consideration for the release and discharge the Group from all of its obligations and liabilities in respect of the loan advanced by Vision Century (note 27(a)). The Company settled the remaining accrued interest of HK\$856,000 by cash from internal resources.

#### (b) Disposal of subsidiaries

|                                             |                |
|---------------------------------------------|----------------|
| Net assets disposed of:                     | 已售資產淨額：        |
| Property, plant and equipment               | 物業、廠房及設備       |
| Inventories                                 | 存貨             |
| Accounts receivable                         | 應收賬款           |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 |
| Cash and bank balances                      | 現金及銀行結餘        |
| Accounts payable                            | 應付賬款           |
| Other payables and accruals                 | 其他應付賬款及應計款項    |
| Loans from a minority shareholder           | 一位少數股東提供之貸款    |
| Amount due to a director of a subsidiary    | 應付附屬公司之一位董事款項  |
| Minority interests                          | 少數股東權益         |
|                                             |                |
| Gain on disposal of subsidiaries            | 出售附屬公司收益       |
|                                             |                |
| Satisfied by:                               | 支付方法：          |
| Cash                                        | 現金             |

### 32. 綜合現金流量表附註(續)

#### (a) 主要非現金交易(續)

- (iv) 於二零零六年三月三十日，本公司結欠 Vision Century 之款項為 37,856,000 港元（即貸款本金額 31,378,000 港元及應計利息 6,478,000 港元）。於同日，本公司向 Vision Century 發行本金額 37,000,000 港元之可換股票據，作為解除及免除本集團就 Vision Century 所墊付貸款而承擔之一切責任及負債之部分代價（附註 27(a)）。本公司從內部資源以現金支付餘下應計利息 856,000 港元。

#### (b) 出售附屬公司

|  | 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|--|----------------------------------|----------------------------------|
|  | -                                | 859                              |
|  | -                                | 9,138                            |
|  | -                                | 4,312                            |
|  | -                                | 697                              |
|  | -                                | 1,861                            |
|  | -                                | (2,793)                          |
|  | -                                | (594)                            |
|  | -                                | (5,880)                          |
|  | -                                | (4,650)                          |
|  | -                                | 1,552                            |
|  | -                                | 4,502                            |
|  | -                                | 66                               |
|  | -                                | 4,568                            |
|  | -                                | 4,568                            |



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

#### (b) Disposal of subsidiaries (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

|                                                                                    |                     |
|------------------------------------------------------------------------------------|---------------------|
| Cash consideration                                                                 | 現金代價                |
| Cash and bank balances disposed of                                                 | 所出售現金及銀行結存          |
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries | 出售附屬公司之現金及現金等值物流入淨額 |

The results of the subsidiaries disposed of in the year ended 31 March 2006 had no significant impact on the Group's consolidated turnover or loss before tax for that year.

### 33. PLEDGE OF ASSETS

Details of the Group's bank and other borrowings, which are secured by assets of the Group, are included in notes 15, 16 and 24 to the financial statements.

### 34. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms of one year.

At 31 March 2007, the Group did not have any future minimum lease receivables (2006: HK\$467,000) under non-cancellable operating leases with its tenants.

### 32. 綜合現金流量表附註(續)

#### (b) 出售附屬公司(續)

就出售附屬公司之現金及現金等值物流入淨額分析如下：

| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------------------|
| -                                | 4,568                            |
| -                                | (1,861)                          |
| -                                | 2,707                            |

於截至二零零六年三月三十一日止年度所出售附屬公司之業績不會對本集團本年度之綜合營業額或除稅前虧損造成重大影響。

### 33. 資產抵押

本集團以本集團資產作抵押之銀行及其他借款之詳情，載於財務報表附註15、16及24。

### 34. 經營租約安排

#### (a) 以出租人身份

本集團根據經營租賃安排租賃其投資物業(附註15)，而洽商之租期為一年。

於二零零七年三月三十一日，本集團根據與其租戶訂立之不可撤銷經營租賃並無應收之未來最低租金款項(二零零六年：467,000港元)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 34. OPERATING LEASE ARRANGEMENTS (continued)

#### (b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for the properties are negotiated for terms of one to two years.

At 31 March 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

|                                            |                    |
|--------------------------------------------|--------------------|
| Within one year                            | 一年內                |
| In the second to fifth years,<br>inclusive | 第二至第五年<br>(包括首尾兩年) |

In addition, pursuant to various agreements entered into between the Group and an independent third party in Mainland China, the Group is required to pay an annual fee of HK\$126,000 in respect of the Land classified as prepaid land lease payments of the Group in Mainland China, with a carrying value of HK\$26,354,000 at 31 March 2007, commencing from calendar year 2008 up to calendar year 2048 with a 20% increment for every five years (note 16).

### 35. COMMITMENTS

At the balance sheet date, the Group had a contractual commitment in respect of the purchase of inventories of HK\$1,048,000 (2006: Nil). The Company did not have any commitments as at 31 March 2007 (2006: Nil).

### 34. 經營租約安排(續)

#### (b) 以承租人身份

本集團根據經營租賃安排租賃其若干辦公室物業。就該等物業洽商之租期為一至兩年。

於二零零七年三月三十一日，本集團根據不可撤銷經營租賃須於下列年期內支付之未來最低租金款項總額如下：

|                                            |                    | Group<br>本集團                     |
|--------------------------------------------|--------------------|----------------------------------|
|                                            |                    | 2007<br>二零零七年<br>HK\$'000<br>千港元 |
|                                            |                    | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
| Within one year                            | 一年內                | 583                              |
| In the second to fifth years,<br>inclusive | 第二至第五年<br>(包括首尾兩年) | 430                              |
|                                            |                    | <b>1,013</b>                     |
|                                            |                    | 312                              |

此外，根據本集團與中國大陸之一名無關連人士訂定之多項協議，本集團須就本集團在中國大陸之若干租賃土地支付年費126,000港元，有關土地於二零零七年三月三十一日之賬面值為26,354,000港元，租約從二零零八年起至二零四八年止，每五年租值增加20% (附註16)。

### 35. 承擔

於結算日，本集團之合約承擔涉及購買存貨1,048,000港元(二零零六年：無)。於二零零七年三月三十一日，本公司並無任何承擔(二零零六年：無)。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 36. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group also had the following related party transactions:

- (a) On 20 February 2004, the Group entered into a shareholders' agreement (the "Xin Procurement Agreement") with HCSPL, a company incorporated in Singapore with limited liability, to form Xin Procurement in Singapore with limited liability. HCSPL is wholly-owned by New Century International Pte. Ltd. ("New Century International"), a company incorporated in Singapore with limited liability. New Century International is in turn wholly-owned by the parents of Mr. Wilson Ng and Mr. Ng Wee Keat, both of whom are executive directors of the Company and also directors of HCSPL. Pursuant to the Xin Procurement Agreement, the Group and HCSPL owned 51% and 49% of equity interests in Xin Procurement, respectively. On 28 February 2007, the Group acquired an additional 24% interest in Xin Procurement and the rights of and benefits in a shareholders' loan of S\$120,000 (equivalent to HK\$618,000) from HCSPL at a consideration of HK\$7,126,560 (the "Acquisition"). The consideration of the Acquisition was settled by issuing the New Convertible Note of the principal amount of HK\$7,126,560 by Company to HCSPL. Upon completion of the Acquisition, the Group holds 75% interest in Xin Procurement and HCSPL holds the remaining 25% interest. The Acquisition constituted a very substantial acquisition under the Listing Rules. Details of the Acquisition have been disclosed in the Company's circular dated 29 January 2007.

#### 36. 有關連人士交易

除於本財務報表其他部分所披露者外，本集團亦有以下有關連人士交易：

- (a) 於二零零四年二月二十日，本集團與一間在新加坡註冊成立之有限公司HCSPL訂立一份股東協議（「Xin Procurement協議」），以成立一間於新加坡註冊成立之有限公司－Xin Procurement。HCSPL乃由新加坡註冊成立之有限公司New Century International Pte. Ltd.（「New Century International」）全資擁有。New Century International則由黃偉盛先生及黃偉傑先生（兩位均為本公司執行董事及HCSPL董事）之父母全資擁有。根據Xin Procurement協議，本集團及HCSPL分別擁有Xin Procurement之51%及49%股本權益。於二零零七年二月二十八日，本集團向HCSPL收購於Xin Procurement之額外24%權益及股東貸款120,000坡元（相等於618,000港元）之權利及利益，代價為7,126,560港元（「收購事項」）。收購事項之代價由本公司向HCSPL發行本金額7,126,560港元之新可換股票據支付。於收購事項完成時，本集團持有Xin Procurement之75%權益，而HCSPL則持有其餘下25%權益。根據上市規則，收購事項構成一項非常重大收購事項。收購事項之詳情已於二零零七年一月二十九日之本公司通函內披露。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 36. RELATED PARTY TRANSACTIONS (continued)

- (b) On 20 February 2004, Xin Procurement entered into a supply agreement (the "Supply Agreement") with HCSPL whereby Xin Procurement was appointed as a supplier of HCSPL for the supply of certain office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels. The Supply Agreement remains valid after the change of the Group's interest in Xin Procurement on 28 February 2007. By virtue of the interests of the parents of Mr. Wilson Ng and Mr. Ng Wee Keat in HCSPL, the transactions contemplated under the Supply Agreement constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Sale of office equipment and office supplies were made at the price equivalent to 10/9 times the cost incurred by the Group. Sale of machinery, parts, stores for the upkeep of vessels, necessary victuals for the crew, lubricating oil and bunkering for the operation of the vessels and appointment of surveyors and technical consultants for the vessels were made at the price equivalent to 100/98 times the cost incurred by the Group. During the current year, Xin Procurement made sales to HCSPL amounting to HK\$2,791,000 (2006: HK\$17,688,000).

- (c) Pursuant to the Xin Procurement Agreement, HCSPL had advanced funds to Xin Procurement as working capital. At 31 March 2007, the outstanding balance owed by Xin Procurement to HCSPL was HK\$644,000. The terms of the advance are set out in note 25 to the financial statements.
- (d) During the year, HCSPL made advances of HK\$2,857,000 (2006: HK\$27,850,000) to Xin Procurement. At 31 March 2007, the outstanding balance owed by Xin Procurement to HCSPL amounted to HK\$48,241,000 (2006: HK\$25,704,000), including dividend payable of HK\$17,757,000 (2006: Nil) which is unsecured, interest-free and has no fixed terms of repayment.

### 36. 有關連人士交易(續)

- (b) 於二零零四年二月二十日，Xin Procurement 與HCSPL訂立一份供應協議(「供應協議」)，據此，Xin Procurement已獲委任為HCSPL供應若干辦公室設備及辦公室用品、遠洋郵輪使用之機器、機械零件、機油及燃料之供應商。供應協議於二零零七年二月二十八日在本集團於Xin Procurement之權益變動後仍然有效。根據上市規則第14A章，鑑於黃偉盛先生及黃偉傑先生之父母於HCSPL之權益，根據供應協議擬進行之交易構成本公司之持續關連交易。

銷售辦公室設備及辦公室用品之價格相等於本集團產生之成本之10/9倍。銷售供遠洋郵輪之日常維修用途之機器、零件及材料；供遠洋郵輪運作而提供船員所需之補給品、機油及燃料；以及為遠洋郵輪委聘測量師及技術顧問之價格相等於本集團所產生之成本之100/98倍。於本年度內，Xin Procurement向HCSPL之銷售額為2,791,000港元(二零零六年：17,688,000港元)。

- (c) 根據Xin Procurement協議，HCSPL墊付資金予Xin Procurement作為營運資本。於二零零七年三月三十一日，Xin Procurement結欠HCSPL之尚未償還結餘為644,000港元。墊款之條款載於財務報表附註25。
- (d) 於本年度內，HCSPL墊付2,857,000港元(二零零六年：27,850,000港元)予Xin Procurement。於二零零七年三月三十一日，Xin Procurement結欠HCSPL之尚未償還結餘為48,241,000港元(二零零六年：25,704,000港元)，包括應付股息17,757,000港元(二零零六年：無)，該筆款項乃無抵押、免息及無固定還款期。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 36. RELATED PARTY TRANSACTIONS (continued)

- (e) During the year, a management fee of HK\$600,000 (2006: HK\$580,000) was charged by HCSPL in respect of certain administrative services rendered to the Group. The management fee was determined between the Group and HCSPL.
- (f) During the year, HCSPL reimbursed HK\$420,000 (2006: HK\$100,000) to the Group in respect of certain administrative expenses paid by the Group on behalf of HCSPL.
- (g) During the year, the Group reimbursed expenses of HK\$43,000 (2006: HK\$188,000) to HCSPL in respect of certain administrative expenses paid by HCSPL on behalf of the Group.
- (h) During the year, HCSPL paid HK\$1,584,000 (2006: HK\$2,255,000) to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering.
- (i) During the year, Huang Procurement Pte. Ltd., a wholly-owned subsidiary of HCSPL, paid HK\$36,206,000 (2006: HK\$29,283,000) to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering.
- (j) Huang Worldwide Holding Limited, the immediate holding company of Vision Century, has undertaken to the Company, to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day operations as a viable going concern notwithstanding any present or future financial difficulties experienced by the Group up to 31 October 2008.

#### 36. 有關連人士交易 (續)

- (e) 年內，HCSPL就提供予本集團之若干管理服務收取管理費600,000港元(二零零六年：580,000港元)，有關管理費由本集團與HCSPL釐定。
- (f) 年內，HCSPL就本集團代表HCSPL支付之若干行政開支向本集團償還420,000港元(二零零六年：100,000港元)。
- (g) 年內，本集團就HCSPL代表本集團支付之若干行政開支向HCSPL償還支出43,000港元(二零零六年：188,000港元)。
- (h) 年內，HCSPL就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付1,584,000港元(二零零六年：2,255,000港元)。
- (i) 年內，HCSPL之全資附屬公司Huang Procurement Pte. Ltd.就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付36,206,000港元(二零零六年：29,283,000港元)。
- (j) Vision Century之直接控股公司Huang Worldwide Holding Limited已向本公司承諾，在截至二零零八年十月三十一日止期間，將繼續給予本集團財政支援，以便本集團在面對任何現時或日後之財務困難時，仍可繼續其日常運作猶如可行之持續基準。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 36. RELATED PARTY TRANSACTIONS (continued)

- (k) Xin Procurement has provided corporate guarantee to a bank in respect of banking facilities granted to HCSPL of principal amount up to S\$9,860,000 (equivalent to HK\$50,779,000). At 31 March 2007, HCSPL did not utilise the banking facilities.
- (l) Compensation of key management personnel of the Group:

|                                                     |                 |
|-----------------------------------------------------|-----------------|
| Short term employee benefits                        | 短期僱員福利          |
| Post-employment benefits                            | 離職後福利           |
| Share-based payments                                | 以股份為基礎之付款       |
| Total compensation paid to key management personnel | 支付予主要管理層成員之薪酬總額 |

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

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and short term time deposits, interest-bearing bank and other borrowings, loan from a minority shareholder, amount due to a minority shareholder and convertible notes. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts and bills payable, which arise directly from its operations.

It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

### 36. 有關連人士交易(續)

- (k) Xin Procurement已就HCSPL獲授本金額最多9,860,000坡元(相等於50,779,000港元)之銀行融資向一間銀行提供公司擔保。於二零零七年三月三十一日, HCSPL並無動用任何銀行融資。
- (l) 本集團之主要管理層成員薪酬:

| 2007<br>二零零七年<br>HK\$'000<br>千港元 | 2006<br>二零零六年<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------------------|
| 1,340                            | 1,340                            |
| 52                               | 52                               |
| -                                | 380                              |
| 1,392                            | 1,772                            |

有關董事酬金之進一步詳情已載於財務報表附註8。

### 37. 財務風險管理目標及政策

本集團之主要金融工具包括現金及銀行結餘及短期定期存款、計息銀行及其他借款、一位少數股東提供之貸款、應付一位少數股東款項及可換股票據。此等金融工具之主要目的乃為本集團營運集資。本集團有各種其他金融資產及負債, 例如應收貿易賬款及應付貿易賬款及應付票據, 兩者皆直接從其營運中產生。

在回顧年度內, 本集團一直恪守不作金融工具買賣之政策。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

##### Interest rate risk

The Group's exposure to the risk of changes in market interest rates is minimal since the interest rates of all of the Group's borrowings are fixed.

##### Foreign currency risk

The Group has transactional currency exposures in United States dollars, Singapore dollars and Malaysia Ringgit. Such exposures arise from the Group's procurement business. During the year under review, the Group did not issue any financial instruments for hedging purposes.

##### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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

#### 37. 財務風險管理目標及政策(續)

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會審閱並協議管理該等風險之政策，現概述如下。

##### 利率風險

由於本集團大部分借款均按固定利率計息，因此本集團承受之市場利率波動風險屬微不足道。

##### 外匯風險

本集團面對美元、新加坡元及馬來西亞幣之交易貨幣風險。該等風險源自本集團之採購業務。於回顧年度內，本集團並無就對沖目的而發行任何金融工具。

##### 信貸風險

本集團只與認可而信譽可靠之第三方交易。本集團之政策為希望按信貸期進行買賣之所有客戶均須進行信貸核實程序。此外，應收賬款結餘乃按持續基準監管，而本集團之壞賬風險並不重大。就並非以相關經營單位之功能貨幣計值之交易而言，本集團只會在信貸監控主管特別批准之情況下提供信貸期。因本集團其他金融資產(包括現金及現金等價物)而產生之信貸風險而言，本集團之信貸風險因對方違約而產生，最高風險相等於該項工具之賬面值。

由於本集團只與認可而信譽可靠之第三方交易，故毋須提供抵押品。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2007 二零零七年三月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis.

### 38. POST BALANCE SHEET EVENTS

- (a) On 17 April 2007, HCSPL exercised its right to convert the New Convertible Note of principal amount of HK\$7,126,560 into 41,920,941 ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.17 per share. The conversion resulted in an increase in share capital and share premium account of HK\$419,000 and HK\$6,707,000, respectively.
- (b) On 30 April 2007 and 30 May 2007, 3,072,000 and 1,024,000 share options were exercised by the directors of the Company, respectively, at an exercise price of HK\$0.23 per share. Further details are disclosed in note 30 to the financial statements.

### 37. 財務風險管理目標及政策(續)

#### 流動資金風險

本集團之目標為確保有足夠資金以應付與其金融負債相關之承擔。本集團按持續基準密切監控現金流量。

### 38. 結算日後事項

- (a) 於二零零七年四月十七日，HCSPL行使其權利，按換股價每股0.17港元，兌換本金額7,126,560港元之新可換股票據為41,920,941股每股面值0.01港元之本公司普通股。該項兌換導致股本及股份溢價賬分別增加419,000港元及6,707,000港元。
- (b) 於二零零七年四月三十日及二零零七年五月三十日，3,072,000份及1,024,000份購股權已由本公司董事按行使價每股0.23港元行使。進一步詳情於財務報表附註30披露。



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2007 二零零七年三月三十一日

#### 38. POST BALANCE SHEET EVENTS (continued)

(c) On 20 June 2007, the Company entered into (i) a conditional placing agreement with Interchina Securities Limited (the "Placing Agent") in relation to the placing by the Placing Agent, on a best effort basis, of the Company's convertible notes with principal amount up to HK\$100,000,000 (the "Notes") to independent third parties (the "Placing Agreement"). The Notes are convertible into new shares of the Company at an initial conversion price of HK\$0.28 per share. Upon exercise in full of the Notes with principal amount of HK\$100,000,000, 357,142,857 new shares will be issued, representing 68.6% of the existing issued share capital of the Company as at the date of the Placing Agreement; and (ii) a conditional option agreement with Vision Century to which the Company has conditionally agreed to grant to Vision Century an option exercisable during the option period to subscribe for convertible notes to be issued by the Company with principal amount up to HK\$100,000,000 (the "New Vision Century Notes") at consideration of HK\$10 (the "Option Agreement"). The terms of the New Vision Century Notes will be identical to those of the Notes, as disclosed above. Among other things, completion of the Placing Agreement and the Option Agreement is inter-conditional and subject to the approval of the Placing Agreement, the Option Agreement and the issue of the Notes and the New Vision Century Notes by the independent shareholders of the Company at the forthcoming special general meeting to be held on 6 August 2007.

#### 39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 July 2007.

#### 38. 結算日後事項(續)

(c) 於二零零七年六月二十日，本公司(i)與國中證券有限公司(「配售代理」)訂立一項有條件配售協議，內容有關配售代理按竭誠盡力之基準，配售本金額最多100,000,000港元之本公司可換股票據(「票據」)予多名獨立第三方(「配售協議」)。票據可按初步換股價每股0.28港元兌換為本公司之新股份。在本金額100,000,000港元之可換股票據被全數行使後，本公司將發行合共357,142,857股新股份，相等於本公司於配售協議日期之現有已發行股本之68.6%；及(ii)與Vision Century訂立一項有條件購股權協議，據此本公司已有條件同意授予Vision Century一項購股權，而Vision Century據此可在購股權期間內，行使購股權以認購本公司所發行本金額最多100,000,000港元之可換股票據(「新的Vision Century票據」)，代價為10港元(「購股權協議」)。如上文所披露，新的Vision Century票據之條款與票據之條款相同。條款當中包括，配售協議及購股權協議須待彼此獲履行後方可作實，並須待本公司獨立股東於二零零七年八月六日舉行之本公司股東特別大會上批准配售協議、購股權協議及發行票據及新的Vision Century票據後方可作實。

#### 39. 批准財務報表

董事會於二零零七年七月二十五日批准本財務報表並授權刊發。

