



DAIWA ASSOCIATE HOLDINGS LIMITED

台和商事控股有限公司

Annual Report 2006/2007

二零零六 / 二零零七年年報

(Stock code 股份代號: 1037)



2006-2007

董事

劉得還 (總裁)
陳婉薇 (副總裁)
尹楚輝
麥漢佳
畢滌凡*
蔡毓藩*
廖毅榮*

* 獨立非執行董事

公司秘書

何聚聲

合資格會計師

何聚聲

主要往來銀行

香港上海滙豐銀行有限公司
中信嘉華銀行
渣打銀行(香港)有限公司
花旗銀行

核數師

羅兵咸永道會計師事務所
香港執業會計師

本公司之法律顧問

麥堅時律師行

百慕達法之法律顧問

Appleby Spurling Hunter

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton HM12, Bermuda

總辦事處及主要營業地點

香港九龍觀塘成業街16號
怡生工業中心G座11字樓

主要股份過戶登記處

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

香港股份過戶登記處

卓佳雅柏勤有限公司
香港灣仔皇后大道東28號
金鐘匯中心26樓

美國證券託收據處

The Bank of New York Company Inc.
101 Barclay Street, New York
N.Y. 10286 U.S.A.

股份代號 -1037

DIRECTORS

LAU Tak Wan (President)
CHAN Yuen Mei, Pinky (Vice-president)
WAN Chor Fai
MAK Hon Kai, Stanly
Barry John BUTTIFANT*
CHOI Yuk Fan*
LIU Ngai Wing*

* independent non-executive directors

COMPANY SECRETARY

HO Chui Sing

QUALIFIED ACCOUNTANT

HO Chui Sing

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
CITIC Ka Wah Bank Limited
Standard Chartered Bank (HK) Limited
Citibank, N.A.

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISERS TO THE COMPANY

Baker & Mckenzie

LEGAL ADVISERS ON BERMUDA LAW

Appleby Spurling Hunter

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11th Floor, Block G, East Sun Industrial Centre
16 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong

PRINCIPAL REGISTRAR

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

REGISTRAR IN HONG KONG

Tricor Abacus Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wanchai, Hong Kong

ADR DEPOSITARY

The Bank of New York Company Inc.
101 Barclay Street, New York
N.Y. 10286 U.S.A.

STOCK CODE-1037

		頁次 Pages
總裁報告	President's Statement	2
財務概要	Financial Summary	11
企業管治報告	Corporate Governance Report	14
董事會報告書	Report of the Directors	22
獨立核數師報告	Independent Auditor's Report	33
綜合損益表	Consolidated Income Statement	35
綜合資產負債表	Consolidated Balance Sheet	36
資產負債表	Balance Sheet	37
綜合現金流量表	Consolidated Cash Flow Statement	38
綜合權益變動表	Consolidated Statement of Changes in Equity	40
財務報表附註	Notes to the Financial Statements	42
購股權資料	Share Option Information	114
股東週年大會通告	Notice of Annual General Meeting	120



雁田廠區

The Yan-tian Factory Site

本人謹代表台和商事控股有限公司(本公司)及其附屬公司(統稱為本集團)向各股東提呈截至二零零七年三月三十一日止年度之年報。

本人藉此感謝各員工對集團之貢獻及努力，在充滿競爭的營商環境中，於過去一年確實了集團之業務增長。

業績及股息

截至二零零七年三月三十一日止年度，本集團之營業額及毛利額在過去五年持續增長；營業額錄得十七億三千七百四十萬港元(二零零六年：十五億四千零一十萬港元)，比去年財政年度增長百分之十三；毛利額錄得一億七千四百六十萬港元(二零零六年：一億四千四百六十萬港元)，比去年財政年度增長百分之二十一。

本年度集團錄得經營溢利二千三百六十萬港元(二零零六年：二千一百二十萬港元)。股東應佔綜合淨溢利為一千一百萬港元(二零零六年：一千二百六十萬港元)，比去年同期減少百分之十三。每股基本盈利為4.00港仙(二零零六年：4.65港仙)。董事局建議向於二零零七年八月二十七日名列本公司股東名冊之股東派發末期股息每股1.5港仙。如股東週年大會上獲股東通過，末期股息將於二零零七年九月十三日派發。本年度，集團宣佈派發中期股息每普通股派1港仙。

On behalf of the Board of Directors, I would like to present to shareholders the annual report of Daiwa Associate Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2007.

I am taking this opportunity to express our gratitude to the Group's staff for their contributions enabling the Group to work through a tough business environment and securing the business growth for the preceding year.

RESULTS AND DIVIDEND



河源廠房

New Production site in Heyuan

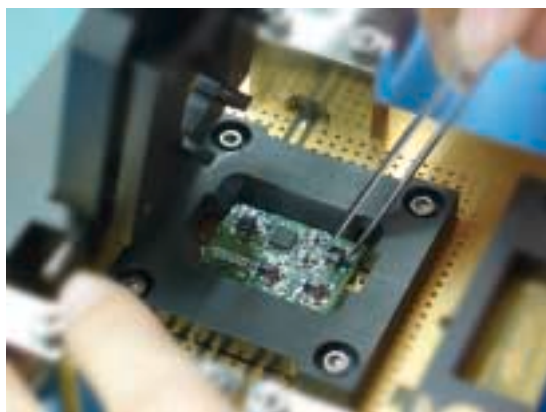
The Group's turnover and gross profit kept on increasing in the past 5 years. Turnover was reported as HK\$1,737.4 million (2006: HK\$1,540.1 million) for the year ended 31 March 2007, which indicates an increase of 13% from last financial year. Gross profit increased by 21% to HK\$174.6 million (2006: HK\$144.6 million).

The operating profit of the Group is HK\$23.6 million for the year ended 31 March 2007 (2006: HK\$21.2 million). The consolidated net profit attributable to shareholders is HK\$11.0 million (2006: HK\$12.6 million), which represents a decrease of 13% from last year. The basic earnings per share is HK 4.00 cents (2006: HK 4.65 cents). The Board of Directors has recommended a final dividend of HK1.5 cents per ordinary share payable to shareholders whose names appear on the Register of Members of the Company on 27 August 2007. Subject to the shareholders' approval at the forthcoming annual general meeting, the dividend will be payable on 13 September 2007. During the year, the Group announced an interim dividend of HK1 cent per ordinary share.

流動資金及財務資源

於二零零七年三月三十一日，本集團之流動資產淨值達一億九千二百五十萬港元，而股東資本為三億七千零二十萬港元（二零零六年：三億五千八百二十萬港元）。銀行貸款與融資租約承擔總額為一億九千零七十萬港元，而資本負債比率（借貸總額除以扣除少數股東權益後之股東資金）為0.52。年底現金及銀行結餘由去年八千三百五十萬港元增加至九千三百四十萬港元。

於二零零七年三月三十一日，本集團所獲之總銀行信貸額約二億五千五百四十萬港元，而仍可動用之信貸額為六千九百七十萬港元。在同日融資租約承擔為五百萬港元。本公司提供信貸擔保予多間銀行促使該等銀行借貸予全資擁有之附屬公司。於二零零七年三月三十一日，公司已提供之信貸擔保總額為三億八千九百二十萬港元。



精密的高階電路製作
Intricate PCB Module Production

本集團之資產由股東資金、應付營業賬項、融資租約及銀行借貸組成。應付營業賬項於一年內償還，而銀行借貸包括於一年內償還之商業貸款及銀行分期貸款於三至四年內償還。由於業務增長及河源市新廠房之新資本性開支增加，銀行借貸總額亦因而增加。

借貸主要以港元為單位以減低匯兌風險。而集團之現金及現金等額主要以港元、美元、加拿大元、人民幣及日圓為單位。由於本年度這些貨幣匯率較為浮動，本集團使用外幣遠期合約以應付某些外幣應付款，及控制外幣交易帶來之兌換風險。集團之主要貸款均為浮動息率並跟隨香港銀行同業拆息率計算。

LIQUIDITY AND FINANCIAL RESOURCES

At 31 March 2007, the Group's net current assets amounted to HK\$192.5 million and the shareholders' funds were HK\$370.2 million (2006: HK\$358.2 million). The total bank borrowings and finance lease was HK\$190.7 million and the gearing ratio which is defined as total borrowings to shareholders' funds, excluding minority interests, is 0.52. The year-end cash and bank balances were increased from HK\$83.5 million to HK\$93.4 million.

At 31 March 2007, total available banking facilities of the Group were approximately HK\$255.4 million, of which HK\$69.7 million was available for use. Finance lease obligations outstanding on the same date amounted to HK\$5.0 million. The Company issued corporate guarantees to banks for granting of banking facilities to wholly owned subsidiaries. At 31 March 2007, total amount of such corporate guarantee committed was HK\$389.2 million.

The Group's assets are mostly financed by shareholders' funds, trade payables, finance lease and bank borrowings. Trade payables are repayable within one year. Bank borrowings composed of trade financing repayable within one year and term loans repayable in installments from 3 to 4 years. Total bank borrowings have increased due to the growth in business and new capital expenditures of Heyuan factory.

The borrowings are mostly denominated in Hong Kong dollars to prevent currency risk. The Group's cash and cash equivalents are denominated in Hong Kong dollars, US dollars, Canadian dollars, Renminbi and Japanese Yen. The Group has engaged in foreign currency forward contracts with banks to manage certain daily foreign currency trade payments and control the conversion risk arising from foreign currency transactions. Most of the Group's borrowings are bearing interest at floating rates which are in reference to the Hong Kong Hibor rate.

由於本年度營業額增加，存貨水平亦相對地由二億零二百萬港元增加至二億五千六百八十萬港元，庫存平均流轉控制低於六十天。

本年度，由於被行使認股權的原因，本集團因而發行了7,605,766股普通股股份，行使價格為每股0.4或0.5港元。另外，集團亦於公開市場購回了1,640,000股普通股股份，回購價由每股0.445港元至0.530港元不等。

業務回顧及前景

雖然股東應佔綜合淨盈利較去年為少，但二零零七年三月三十一日止年度集團之核心業務仍有理想成績。集團整體營業額增加百分之十三，而毛利亦增加了百分之二十一。由於集團投放大量資源支援河源新廠房之開辦及試產，此部份之盈利貢獻因而減少，而隨著試產及並行管理之階段已完成，來年同類之支出將明顯減少。

同樣地，集團於二零零六年六月收購了一家位於日本大阪之喇叭驅動單元部件工場。該公司與行內極具聲名的手提電話製造商有著長期的業務。集團收購的目標是重新規劃該公司，從而開發於中國、韓國及美國的手提電話喇叭業務的市場。在轉變過程中因協同效應仍未出現，此業務錄得帳面虧損五百二十萬港元。管理層相信在來年當運作的協同效應在此附屬公司出現時，業務情況將得以改善。

As the turnover in the reported year was increased, inventory level was relatively increased to HK\$256.8 million from HK\$202.0 million of last financial year. Average stock turnover is controlled to less than 60 stock turnover days.

In the reported year, the Group issued 7,605,766 new ordinary shares due to the exercise of warrants. The exercise price was HK\$0.4 or HK\$0.5 per share. The Group also repurchased 1,640,000 ordinary shares in the open market. The purchase prices were ranged from HK\$0.445 to HK\$0.530 per share.

BUSINESS REVIEW AND PROSPECT



電子元件經銷業務所代理之品牌不斷擴大
More and more Principals for the Value-Added Electronic Distribution Business

Although the consolidated net profit attributable to shareholders was smaller than that of last year, the year ended 31 March 2007 was a handsome year in the Group's core business. The overall turnover was increased by 13% and the gross profit of the Group was increased by 21%. Due to the fact that the Group had subsidized substantially in the setting up and test run of the new production site in Heyuan, net profit contribution of this sector was decreased. Since the test production and parallel management period had already been finished, similar kind of expenses would be less significant in the coming year.

By the same token, the Group had acquired a Japanese loudspeaker driver manufacturer in Osaka in June, 2006. The company had long term business with some of the most renowned mobile phone manufacturers. The target of the acquisition was to re-engineer the company to penetrate the mobile phone loudspeaker business in China, Korea and USA. During the implementation as the synergy effect was not yet appeared, a book loss of about HK\$5.2 million was recorded for such operations. The management believes that such operations can be improved in the coming year when operation synergy of the subsidiary can be seen.

本集團致力於以下三項主要業務：

- 電子專業合約生產服務(EMS)及電子消費產品業務
- 電子元器件 — 經銷及製造業務
- 電腦及數碼產品 — 經銷及製造業務

The Group is engaged in three major core businesses, namely:

- EMS (Contract Electronic Manufacturing Services) and Consumer Electronics
- Electronic Components — Distribution and Manufacturing
- Digital and Personal Computer Products — Distribution and Manufacturing

電子專業合約生產服務(EMS) 及電子消費產品業務

在整體來說，去年EMS,OEM及ODM製造業務持續增長，此部份之營業額為六億七千五百萬港元(二零零六年：五億七千五百二十萬港元)，比去年同期上升百分之十七，而此部份之毛利迅速增長至七千三百二十萬港元(二零零六年：五千零九十萬港元)，比去年同期上升百分之四十四。



在無塵車間操作的先進電路板貼裝設備
Advance SMT Lines in clean room working environment

EMS and Consumer Electronics

The overall business of EMS, OEM and ODM in the reported year kept growing. Turnover of this sector increased by 17% to HK\$675.0 million when compared with last fiscal year (2006: HK\$575.2 million) while the gross profit of this sector grew rapidly to HK\$73.2 million (2006: HK\$50.9 million) which represented a growth of 44% when compare with last year.

電子專業合約生產服務(EMS)

作為集團主要生產業務方向之一，EMS之業務在過去持續增長；去年度之營業額錄得四億二千七百八十萬港元(二零零六年：三億二千八百萬港元)，比去年同期增長百分之三十。集團不僅只為客戶提供加工之業務，更進而強化集團之採購管理團隊，為客戶提供整體產品供應方案。

為了能應付高質量及日益增加之產量需求，集團預備增加一個新生產樓層，以作無塵車間及新SMD貼片設施之用。此新樓層預計於來年第四季完成，預期生產量將加倍。

EMS之業務看似與一般的電子產品生產相似，但EMS生產需要尖端的管理系統和極嚴格的品質控制系統。由於要求嚴格，客戶相對比較穩定而且可接受較高售價，但產品需要有接近零的不良率。

EMS (Contract Electronic Manufacturing Service)

As one of the main direction in the growth of manufacturing activities of the Group, business of EMS kept growing in the past years. Turnover of this sector increased by 30% to HK\$427.8 million when compared with last reported year (2006: HK\$328.0 million). Instead of merely providing assembling work for customer, the Group further strengthened the supply chain management team to provide customers turnkey solutions.

In order to equip the Group to cater for more quality and quantity services, the Group prepared to facilitate a new floor equipped with clean rooms as well as new SMD machines. The set up of this new floor would be finished by the 4th quarter of this year and the capacity will be doubled.

Although business of this sector is similar from that of the common manufacturing of electronic products, EMS manufacturing needs state of the art management system with extremely demanding quality control system. From the said demanding nature, customers in this segment were steady but customer accepts almost zero defective tolerance but return in higher price acceptance.

在此業務分類，集團生產通訊發射站模塊、活性天線、雷達部件、汽車電子模塊及工業用無接觸印字機底板組件。

In this segment, the Group is now engaging in the production of telecommunication modules in mobile phone base stations, active antennas, radar parts, electronic modules in automobiles as well as PCB assembly for industrial purpose non-contact printers.

電子消費產品業務

Consumer Electronics

原產品設計及生產 (OEM, ODM) 電子消費產品製造業務之營業額為二億四千七百二十萬港元 (二零零六年：二億四千七百二十萬港元)。由於在試產期間，集團在雁田廠房及新河源廠房需同步維持二隊生產及管理隊伍，為此部份帶來負盈利貢獻。另一方面，新收購之日本附屬公司由於需重新整頓，集團需承擔約五百二十萬港元之虧損。整體而言，此部份為集團在本年度額外帶來顯著的負面影響。管理層深信這沖擊將在來年消除。



自家開發的個人數碼影音消費品
ODM Digital Audio & Video Player for personal entertainment

Turnover of OEM and ODM manufacturing of consumer electronics was HK\$247.2 million which maintained the same as that of the last year (2006: HK\$247.2 million). Due to the fact that the Group had maintained two parallel production and management teams in both Yantian and the new Heyuan production site in test production period, this sector had a negative contribution to the Group. On the other hand, due to the re-engineering of the newly acquired Japan subsidiary, the Group had to bear a loss relating to its operations of approximate HK\$5.2 million. As a whole, this sector brought considerable negative impact to the Group's contribution in the

reported year. The Management strongly believes that these impacts will be eliminated in the coming fiscal year.

在此業務分類，產品大多為家用之手提視聽產品例如收音機、揚聲器 (手提CD) 卡式機、小型音響、鬧鐘收音機及電子玩具等。

Products in this segment was mostly portable audio and video products for households such as radio, loud speakers, boom-box (portable CD), cassette player, mini compo Hi-Fi, clock radio and electronic toys.

本年度，此業務因為現時東莞雁田廠房之規模限制，未能有效發揮其潛力，待河源市新廠房落成，情況將得以改善。

In the reported year, this business segment was limited by the limited production space in the existing factory site in Yantian, Dongguang. The situation will greatly be improved after the new Heyuan Factory Site is completed.

電子元器件 — 經銷及製造業務

ELECTRONIC COMPONENTS — Distribution and Manufacturing

此部份之營業額為六億六千一百五十萬港元 (二零零六年：五億八千八百六十萬港元)，比去增長百分之十二，而毛利亦錄得六千五百四十萬港元 (二零零六年：六千零九十萬港元)，比去年增長百分之七。

The overall turnover of this segment was HK\$661.5 million (2006: HK\$588.6 million) representing a growth of 12% when compared with last reported year. The gross profit recorded a 7% growth to HK\$65.4 million (2006: HK\$60.9 million) when compared with last year.

在此業務分類，為分銷集團生產及集團在香港及中國擁有分銷權之各國品牌之活性和被動電子元器件。產品包括二、三極管、集成電路、供電模塊、MCU、CPU、記憶晶片及顯示屏等。此等元器件應用於電子玩具、供電器、收音機、CD機、DVD機、電視、MP3/MP4及擴音機。在更高層次上面，此業務更提供應用於空調機、MP3、電動單車、iPod連接座及供電管理模塊的主控方案等。

在此業務除了香港有穩固的根基外，集團亦致力發展中國市場；深圳及上海銷售辦事處成績卓越。為了能更深入佔據國內市場，集團額外投放資源於經銷部份的工程部以加強其提供整體方案的能力。除了只是根據客戶要求銷售電子元器件及IC外，集團積極地為客戶設計硬件及軟件產品方案，此策略得到客戶良好反應。



在河源的消費電子製品生產線
Assembly Line in Heyuan Consumer Electronics Factory

集團繼續獲得新電子元器件供應商之代理權，來年集團極有信心在來年可新增加多家元器件供應商之代理權，加上現時東芝、松下、安森美 (On-Semiconductor)、Lite-on及阿諾德磁材 (Arnold Magnetics)、Chino-Excel Technology Corp (CET)、Elan Microelectronics Corp (ELAN)及MCS Logic Ltd (MCS Logic)、京瓷 (Kyocera)、Diodes之授權經銷商，集團將更強化在香港及國內之授權經銷電子元器件及半導體業務之領導地位。

Business in this segment is to distribute various passive and active electronic components of the Group's own production and also represent various renowned brand names of suppliers from different countries as their authorized distributor in Hong Kong and China. Products of this segment includes diodes, transistors, integrated circuits (IC), power modules, MCU, CPU, memory chips and display modules etc. Application of these components are electronic toys, power supplies, radio, CD players, DVD players, TV, MP3/MP4 and amplifiers. In the more advanced level, this segment also provides solutions for controller of air-conditioner, MP3, electronic bicycle, iPod dockings as well as power management modules etc.

Other than the solid foundation of distribution of components in Hong Kong, the Group had laid more effort in mainland China. The performance of Shenzhen and Shanghai sales office were outstanding. In order to have deeper penetration in the market, the Group had further strengthened the engineering capability in providing total solutions for customers. Instead of merely selling electronic components and IC to customers upon request, the Group actively designed hardware and software product solution for customers. The approach gained good response from customers.

The Group kept on gaining new distributorship from electronic component suppliers. In the coming year, the Group had confidence to gain more new authorized distributorships from renowned suppliers. Together with existing distributorship of Toshiba, Panasonic, On-semiconductor, Lite-on, Arnold Magnetic, Chino-Excel Technology Corp (CET), Elan Microelectronics Corp (ELAN) and MCS Logic Ltd (MCS Logic), Kyocera, Diodes, the Group could further strengthen its status as one of the leading authorized distributors for electronic components and semi-conductors in Hong Kong and PRC.

在二、三極管製造業務方面，雖然去年之需求下降，但本年之需求再次增多，而且客戶開始接受價格之調升。集團亦正與強大的新OEM客戶商議二極管及三極管之訂單，成績令人鼓舞。管理層相信來年可獲得龐大及長期的新訂單，因此集團將購買新機器以加倍現時之生產量。

In the manufacturing of diodes and transistors, although the demand was dropped in the reported year, it will be growing up again in the coming year. Customers began to accept price increase. The Group had also negotiated with new, sizable OEM customers for diodes and transistors and the result was encouraging. The Management believed that new and sizable long term orders would be gained in the coming year. To cope with this new demand, the Group will set up new facilities to double up the present capacity.

電腦及數碼產品 — 經銷及製造業務

電腦及數碼產品業務營業額錄得四億零九十萬港元(二零零六年：三億七千六百三十萬港元)，與去年同期比較增長百分之六點五，而毛利亦增長百分之九至三千六百萬港元(二零零六年：三千二百八十萬港元)。

在此業務分類，產品包括MP3、MP4、DVD機、數碼相框、USB記憶條、無繩數碼電話、無繩音響、個人電腦產品例如主機版、顯示卡、硬盤、記憶模塊、桌面及手提電腦等。

此部份之生產發展穩定；隨著新投資於工程部、模具部及塑膠注塑部，集團繼續發展新型號的MP3及MP4。由於產品品質優良，集團已獲得著名客戶之良好認同。此外，iPod連接座在去年亦是此部份其中一個主要成功產品，而集團於來年亦預算開發iPhone電話連接座。

Digital and personal computer products — DISTRIBUTION AND MANUFACTURING



集團代理多個微電子品牌，為各界提供不同的電子方案
Various electronics solution for different application areas
supported by different microprocess manufacturers

Turnover of the digital and personal computer products business grew to HK\$400.9 million (2006: HK\$376.3 million) which represented a growth of 6.5% in the reported year. Gross profit also grew by 9% to HK\$36.0 million (2006: HK\$32.8 million).

Business in this segment including products such as MP3, MP4, DVD, digital picture frames, USB memory drives, DECT cordless phones, wireless audios as well as personal computer products such as motherboards, display cards, hard disk drives, memory modules, desk-top and notebook computers.

The manufacture side of this segment was steady. By new investment in the engineering team, tooling house as well as the new plastic injection workshop, the Group kept developing new models for MP3 and MP4. By the committed quality of the products, the Group gained good recognitions from renowned customers. iPod docking was also one of the successful products of this sector in the reported year. The Group was also started planning to develop iPhone dockings in the coming year.

集團亦已成立新工程及市場隊伍以預備開拓1.8G、2.4G及5.8G DECT無繩數碼電話市場。集團已成功開發新模具。雖然現時此產品仍處於較初期階段，此項目已接到多個國家的電話客戶的相關查詢。

加拿大台和公司在多倫多、溫哥華、哈里法斯及卡加里均設有分公司；在硬盤、顯示屏及主機板之市場佔有重要比率，同時，營業額亦相信穩定。去年，因有部份中型規模同業預備離開市場，由此等競爭同業轉出之客戶已開始接觸加拿大台和公司。

業務前景

EMS是本集團未來發展製造業務方面之核心方向。於本年度第四季度，集團將完成專為此部份而設之新生產樓層，屆時產能將加倍。EMS製造之轉營計劃將因為供應原材料給客戶而帶來額外貿易收益。此部份之營業額及盈利將持續增長，並將成為本集團其中一個主要盈利貢獻來源。



電路板經在電路測試系統檢定後才投入整機裝配生產
In-Circuit Testing System ensuring good PCBs applied to final assembly process

DECT無繩數碼電話產品將於本財政年度中期推出，亦預期為集團製造業務帶來新時代。

位於中國河源的新廠房提供了額外600,000平方英尺之廠房用地，而電子消費產品、電線、五金及半導體生產將遷移到此新廠房。集團在電子消費產品試產之結果，證實生產成本比東莞廠房低。較低之電費及政府費用亦將為此部份之盈利帶來可觀貢獻。

The Group had also set up new engineering and marketing team for the preparation of entering into the 1.8G, 2.4G and 5.8G DECT cordless phone market. New tooling had already finished. Although it was still in premature stage, the team had already received considerable enquiries from telecom customers of various countries.

With branches in Toronto, Vancouver, Halifax and Calgary, Canada Daiwa had gained substantial market share of hard disk drives, display monitors and mother board and the business was steady. Since some of the medium sized players in the market had already prepared to quit from the market, there was a good symptom that customers of these competitors had already started approach Daiwa Canada.

FUTURE PROSPECT

EMS is the core direction of the Group's future development in manufacturing. A new production floor for this segment will be set up by the 4th quarter of this year and the production capacity will be doubled up. The turn-key program in EMS manufacturing will also bring in further trading benefits of material supplies. Turnover and profit contribution of this sector will keep growing and being one of the major contribution to the Group's profit.

Products for the DECT cordless phone will be launched by the middle of this fiscal year which will bring the Group to a new era of manufacturing.

The new factory site in Heyuan provides an extra 600,000 sq.ft. of factory area. The production of consumer electronics, wire and harnesses, metal work and semiconductor production will move to this new site. The Group has already gone through the whole process of test production in consumer electronics and has proved that the cost of manufacturing is much lower than that of Dongguan. The lower cost in electricity and local government charges will also be a considerable contribution to the profit margin of this sector.

於電子元器件經銷業務，集團於多間著名品牌的新代理權發展頗為成功，而管理層相信多家新經銷協議將於本財政年度簽訂。為經銷業務未來的協同發展，集團現正尋求收購業內適合之公司。

在二、三極管的生產業務，因為新增之OEM客戶及其預測之定單，此業務之需求將會大增；現時集團有良好之機會從現存的生產商手中購買價格相宜之在用生產器材，屆時，產能將可倍增。

總括而言，管理層相信來年將會是集團有成就的一年。

員工

於二零零七年三月三十一日，本集團共聘請了約六千名僱員，其中香港及加拿大分別有一百三十二名及七十名僱員，其餘大部份為駐國內各生產基地之僱員。

集團之薪酬政策根據市場趨勢及按個別員工工作表現及經驗而釐定。業務員之薪酬包括工資及佣金，

佣金是按個人營業指標而釐定；一般僱員除薪金外，可享有年終花紅，數額視乎部門之盈利及個人表現評估。集團亦提供強積金及醫療福利給予所有香港僱員。根據本公司於二零零五年八月十八日採納之購股權計劃或職業退休計劃，集團可授予購股權給公司董事及符合要求的僱員。直至二零零七年三月三十一日，沒有購股權被授予。

集團將投放更多資源於提供僱員在集團內部及參加外面的培訓；除了讓僱員出席講座外，集團繼續推薦合資格的僱員報名參加例如：ISO9000、TS16949及Six-Sigma品質管理系統之專業課程，此等培訓課程不單提供僱員事業發展，亦同時可提升集團之管理能力。

In the distribution of the electronic component sector, the Group was quite successful in developing new distributorship from renowned brand names. The Management believes that new distributorship agreements will be signed in the coming fiscal year. For the further synergy of the distribution business, the Group is looking for acquisition of proper operations in the industry.

In the manufacturing segment of diodes and transistors, from the forecast of OEM customers and the increase of new sizable OEM customers, demand for this sector will greatly be increased. There is a chance for the Group to acquire used equipment from an existing manufacturer at favorable price and the capacity of production will be doubled.

As a summary, the Management believes that the coming year will be a fruitful year for the Group.



引線及端子車間支持集團的二極管製造並為業界服務
The Lead-Wire Factory, supplies to the Group's diode manufacturing as well as to the industry

Employees

At 31 March 2007, the Group employed a total of approximately 6,000 employees of which 132 were Hong Kong based and 70 were Canada based. Most of the others were PRC employees in different production sites.

The Group's remuneration policy is in line with the prevailing market practices and is determined on the basis of performance and experience of the individual. Sales personnel are remunerated by salaries and incentives in accordance with the achievement of their sales

target. General staff are offered year-end discretionary bonuses, which are based on the divisional profit and individual appraisals. The Group also provides a Mandatory Provident Fund or ORSO scheme and medical benefits to all Hong Kong employees. Pursuant to the terms and conditions of the share option scheme adopted by the Company on 18 August 2005, the Group may grant share options to directors and eligible employees. Up to 31 March 2007, no share options had been granted.

The Group is committed to devoting more resources in providing internal and external training to the employees. Other than sending staff to participate in seminars and lectures, the Group continues to recommend qualified staff to take part in professional courses such as the ISO9000, TS16949 and Six-Sigma Quality Systems. The training programs not only enhance employees' career development and professional knowledge, but also contribute to upgrading the management system of the Group.

五年財務概要

FIVE YEAR FINANCIAL SUMMARY

以下為本集團截至二零零七年三月三十一日止前五個年度每年之綜合業績。

The following is a summary of the consolidated results, assets and liabilities of the Group for each of the last five years ended 31 March 2007.

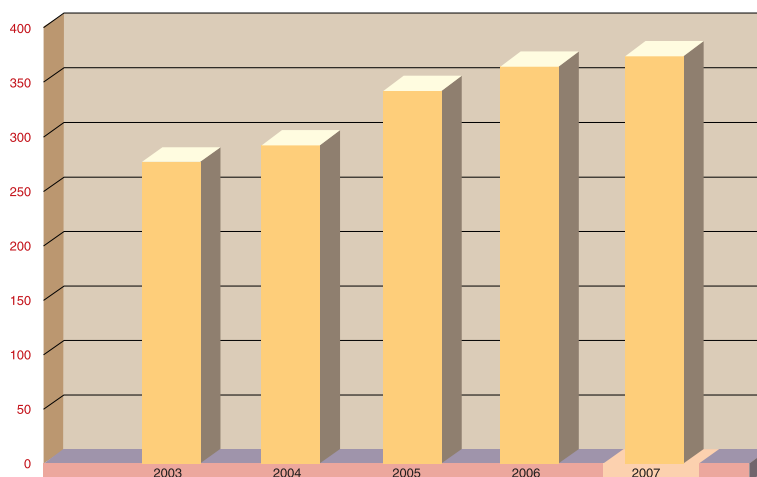
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000	二零零五 2005 千港元 HK\$'000	二零零四 2004 千港元 HK\$'000	二零零三 2003 千港元 HK\$'000
營業額	Turnover	1,737,449	1,540,139	1,225,840	841,606	773,487
股東應佔盈利	Profit attributable to shareholders	10,994	12,648	20,575	15,330	12,106
資產總值	Total assets	773,513	685,250	607,630	474,851	431,285
負債總額	Total liabilities	402,077	325,833	258,282	192,707	158,475
資產淨值	Net assets	371,436	359,417	349,348	282,144	272,810
股本	Share capital	27,814	27,218	26,596	15,881	15,881
儲備	Reserves	342,435	330,953	322,125	265,587	254,994
股東權益	Shareholders' equity	370,249	358,171	348,721	281,468	270,875
少數股東權益	Minority interests	1,187	1,246	627	676	1,935
權益總額	Total equity	371,436	359,417	349,348	282,144	272,810

五年財務概要 (續)

FIVE YEAR FINANCIAL SUMMARY (continued)

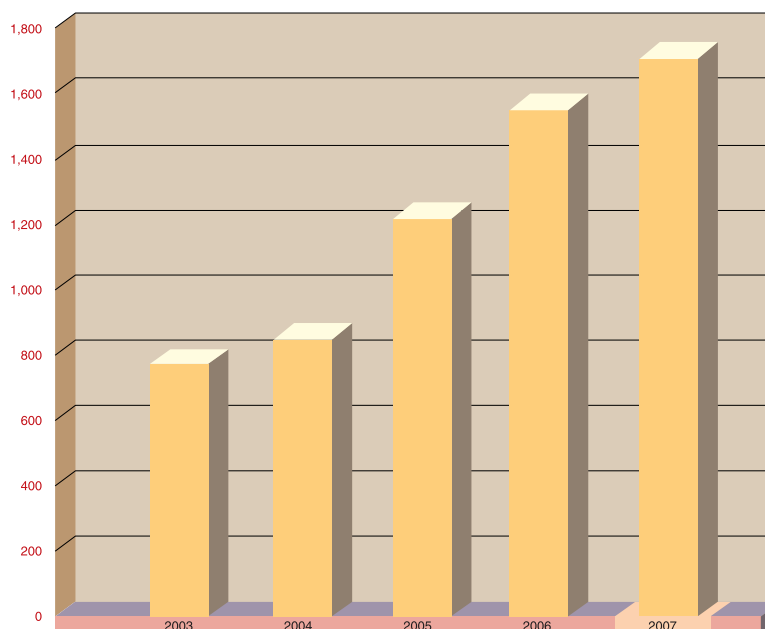
資產淨值
Net Assets

百萬港元
HK\$ million

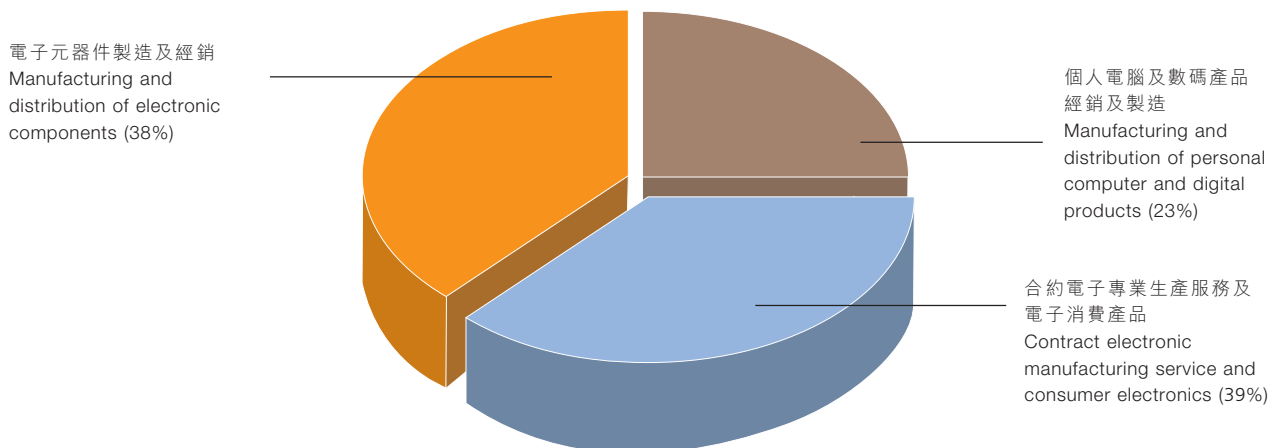


營業額
Turnover

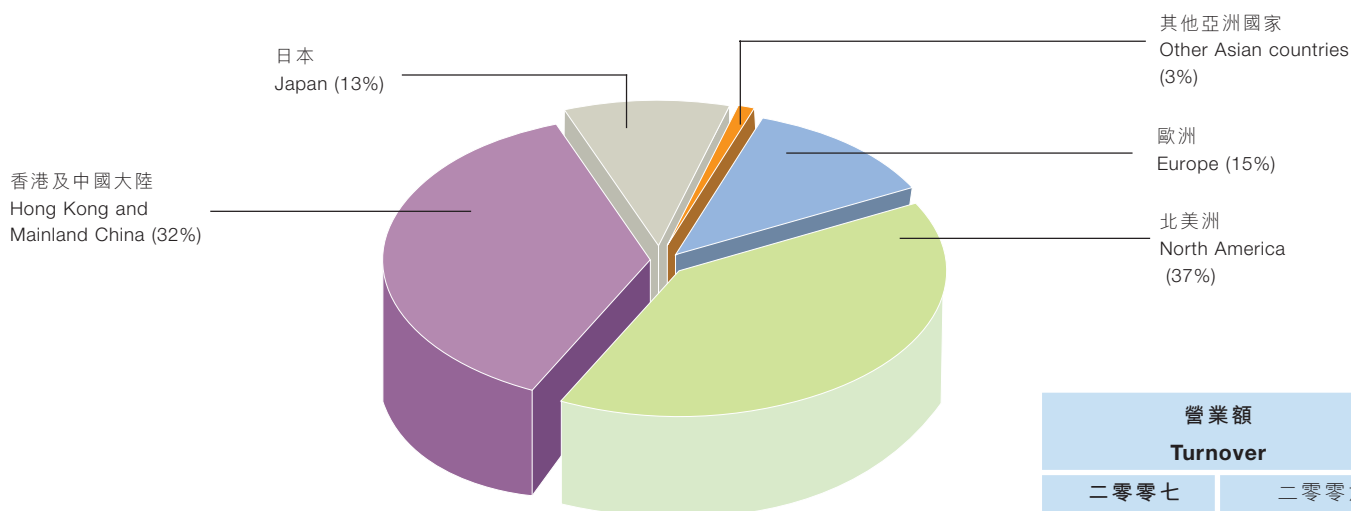
百萬港元
HK\$ million



二零零七年度按主要業務劃分之營業額
TURNOVER BY PRINCIPAL BUSINESS FOR 2007



二零零七年度按地區劃分之營業額
TURNOVER BY GEOGRAPHICAL SEGMENT FOR 2007



營業額 Turnover	
二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
661,475	588,641
675,017	575,181
400,957	376,317
1,737,449	1,540,139

電子元器件製造及經銷	Manufacturing and distribution of electronic components
合約電子專業生產服務及電子消費產品	Contract electronic manufacturing service and consumer electronics
個人電腦及數碼產品經銷及製造	Manufacturing and distribution of personal computer and digital products

本公司董事會（「董事會」）致力維持良好之企業管治標準及程序，以確保資料披露之完整性、透明度及質素，藉以提高股東價值。

本公司於截至二零零七年三月三十一日止年度一直採用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14載列之企業管治常規守則（「守則」）之原則及所有適用守則條文，惟下述偏離事項除外。董事會將繼續檢討及提升本公司之企業管治常規及準則，確保業務活動及決策制訂過程乃以適當及審慎方式規管。

董事之證券交易

本公司已採納上市規則附錄10所載列之上市發行人董事進行證券交易之標準守則作為有關董事進行證券交易之行為守則（「標準守則」）。經向本公司所有董事作出具體查詢後，本公司董事確認彼等於截至二零零七年三月三十一日止整個年度內已一直遵守標準守則所載之規定標準。

董事會

董事會專注於整體策略及政策，尤其關注本集團之增長及財務表現。董事會之主要功能如下：

- (1) 制訂本集團之策略性方向及發展；
- (2) 決定本集團主要政策、策略計劃及績效目標；
- (3) 監察管理層之表現；
- (4) 批准財政計劃及年度預算、重大撥款建議、主要融資及投資建議；

The board of directors of the Company (the “Board”) is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders’ value.

The Company has adopted the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (“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, save for the deviations discussed below. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS’ SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions (the “Model Code”). Having made specific enquiry of all directors of the Company, the directors of the Company have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31 March 2007.

BOARD OF DIRECTORS

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group. The principle functions of the Board are to:

- (1) establish the strategic direction and development of the Group;
- (2) determine the broad policies, strategic plans and performance objectives of the Group;
- (3) monitor management performance;
- (4) approve financial plans and annual budgets, major funding proposals, key funding and investment proposals;

董事會 (續)

- (5) 監察評估內部監控、風險管理、財務匯報及守規之程序；
- (6) 就企業管治承擔責任。

董事會目前由四名執行董事及三名獨立非執行董事組成。

董事會每年至少舉行四次例會，議程包括批准全年及中期業績，以及檢討本集團之業務運作及內部監控系統。除此等例會外，董事會亦就批准重大或特別事項召開會議。

於本年度內，董事會共召開十六次董事會會議。

本年度董事會成員、董事會會議次數及各董事之出席情況如下：

BOARD OF DIRECTORS (continued)

- (5) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (6) assume responsibility for corporate governance.

The Board comprises four executive directors and three independent non-executive directors.

Regular Board meetings are held at least four times a year to approve annual and interim results, and to review the business operation and the internal control system of the Group. Apart from these regular meetings, Board meetings are also held to approve major or special issues.

Sixteen Board meetings were held during the year ended 31 March 2007.

Members of the Board, number of Board meetings held and the attendance of each member during the year are set out as follows:

董事會成員	出席會議次數／董事會會議次數
Members of the Board	Number of meetings attended/ Number of Board meetings held
執行董事	
劉得還先生 (總裁)	16/16
陳婉薇女士 (副總裁)	16/16
尹楚輝先生	16/16
麥漢佳先生	16/16
獨立非執行董事	
畢滌凡先生	12/16
蔡毓藩先生	12/16
廖毅榮先生	12/16

董事會 (續)

本公司已收到各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關其獨立性之規則。本公司認為所有獨立非執行董事均屬獨立人士。

董事會已根據本公司性質及業務目標，維持適合本公司業務需要之均衡技能及經驗。董事名單及彼等之簡歷已載列於第24至26頁之董事會報告書內。

主席及行政總裁

根據守則條文第A.2.1條，主席及行政總裁之角色應予以區分，不應由同一人擔任。

劉得還先生為本公司董事會主席兼總裁。董事會認為，總裁與行政總裁之角色相同。董事會認為，現行架構為本集團提供強大兼一致的領導，並使業務得以有效率及有效能地策劃及執行。因此，董事會相信，劉得還先生繼續擔任本公司之董事會主席兼總裁符合本公司股東之最佳利益。然而，本集團將於日後適當時候檢討現有架構。

獨立非執行董事

根據守則第A.4.1條，非執行董事應有指定委任期，並可予重選；此外，根據守則第A.4.2條，每位董事（包括有指定委任期的董事）應最少每三年輪值辭任。

目前，三名獨立非執行董事的委任任期並非指定，而是根據公司章程細則條文於股東週年大會輪值辭任和重選。他們的任期將於須重選時檢討。

BOARD OF DIRECTORS (continued)

The Company has received from each Independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rule. The Company considers that all of the Independent non-executive directors are independent.

Given the nature and business objectives of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. List of directors and their biographical details are set out on pages 24 to 26.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the Code provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. LAU Tak Wan is the Chairman of the Board and the president of the Company. In the opinion of the Board, the role of the president and the chief executive officer is the same. The Board considers that the present structure provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution. Hence, the Board believes that it is in the best interest of the shareholders of the Company that Mr. LAU Tak Wan will continue to assume the roles of the Chairman of the Board and the president of the Company. However, the Company will review the current structure as and when it becomes appropriate in future.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Under the Code provision A.4.1, the non-executive directors should be appointed for a specific term, subject to re-election and under the Code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Currently, the three Independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

薪酬委員會

薪酬委員會負責向董事會提出有關(其中包括)本公司所有董事及高級管理層薪酬政策及結構之建議，並獲董事會授權責任，代表董事會釐定本公司所有執行董事及高級管理層之具體薪酬。

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all directors and senior management of the Company and is delegated by the Board with the responsibility to determine on behalf of the Board the specific remuneration packages for all Executive directors and senior management of the Company.

薪酬委員會成員

廖毅榮先生(主席)
蔡毓藩先生

執行董事

劉得還先生

Members of Remuneration Committee:

Mr. LIU Ngai Wing (*Chairman*)
Mr. CHOI Yuk Fan

Executive director

Mr. LAU Tak Wan

出席會議次數／

委員會會議次數

No. of Meeting Attended/

No. of Meeting

1/1

1/1

1/1

審核委員會

本公司已設立審核委員會，並書面訂立特別職權範圍。

審核委員會負責檢討和監察本集團之財務申報過程及內部監控系統，並向董事會提供建議及意見。

審核委員會亦獲授權取得外界法律或其他獨立專業意見，及於視為必須之情況下，確保具備有關經驗之外界人士出席會議。

於本年度內，審核委員會共召開兩次審核委員會會議。

本年度審核委員會成員，審核委員會會議次數，及各成員之出席情況如下：

審核委員會成員

獨立非執行董事成員

畢滌凡先生 (主席)
蔡毓藩先生
廖毅榮先生

於本年度內，審核委員會履行如下職責：

- (1) 與核數師共同審閱年報及審閱未經審核之中期財務報告，並提出建議供董事會批准；
- (2) 審閱會計準則之變動及評估可能對本集團財務報告書產生之潛在影響；

AUDIT COMMITTEE

The Audit Committee was established with a specific written terms of reference.

The Audit Committee is responsible for reviewing and supervising the financial reporting process and internal control system of the Group and providing advice and recommendations to the Board.

Audit Committee is also authorized to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Two Audit Committee meetings were held during the year ended 31 March 2007.

Members of the Audit Committee, number of Audit Committee meetings held and the attendance of each member during the year are set out as follows:

	出席會議次數／ 審核委員會會議次數 Number of meetings Attended/Number of Audit Committee meetings held
Members of the Audit Committee	

Members of Independent non-executive directors:

Mr. Barry John BUTTIFANT (<i>Chairman</i>)	2/2
Mr. CHOI Yuk Fan	2/2
Mr. LIU Ngai Wing	1/2

During the year, the Audit Committee has performed the following duties:

- (1) reviewed with the auditors the annual financial statements and received the unaudited interim financial statements, with recommendations to the Board for approval;
- (2) reviewed the change in accounting standards and policies as well as assessment of potential impacts on the Group's financial statements;

審核委員會 (續)

- (3) 審閱本集團之內部監控系統，及商議有關事項包括財務、經營、程序遵守及風險管理等工作；
- (4) 檢討有關規管及法定要求之合規事宜；
- (5) 考慮及建議委任、續聘及批准外聘核數師之薪酬、聘用條款；
- (6) 根據適用標準審閱及監察外聘核數師之獨立性及客觀性，以及核數程序之有效性；及
- (7) 於開始進行核數前與外聘核數師討論有關核數之性質及範疇和申報責任。

提名董事

本公司並無成立提名委員會。守則所建議提名委員會之職責及職能由董事會共同履行，並無董事參與釐定其本身之委任條款，亦無獨立非執行董事參與評估其本身之獨立身份。

董事編製財務報表之責任

董事會確認彼等編製本集團財務報表之責任，並確保財務報表乃根據法例規定及適用之會計準則編製，董事會亦確保會準時刊發本集團之財務報表。

AUDIT COMMITTEE (continued)

- (3) reviewed the Group's internal control system and discussed the relevant issues including financial, operational, compliance controls and risk management functions;
- (4) reviewed the compliance issues with the regulatory and statutory requirements;
- (5) considered and recommended the appointment, re-appointment and approved the remuneration and terms of engagement of external auditor;
- (6) reviewed and monitored external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and
- (7) discussed with external auditor the nature and scope of the audit and reporting obligations before the audit commences.

NOMINATION OF DIRECTORS

The Company did not establish a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his/her own terms of appointment and no independent non-executive director being involved in assessing his own independence.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensure the timely publication of the financial statements of the Group.

核數師之酬金

於本年度內，本公司之核數師羅兵咸永道會計師事務所就向本集團提供下列服務分別收取之費用如下：

服務種類	Type of services	收取之費用 Fees charged 千港元 HK\$'000
本集團之審核費用	Audit fee for the Group	1,855
稅務服務	Taxation services	110
總額	Total	1,965

問責及審核

董事明白彼等須負責根據法定及規管要求編制相關會計期間之本集團賬目。董事於編制截至二零零六年九月三十日止六個月及截至二零零七年三月三十一日止年度賬目時，已採納適當會計政策並貫徹採用該等政策。申報年度賬目已按持續經營之基準編制。

核數師發表其有關申報責任的聲明載列於年報中第33至34頁內。

內部監控

現任董事會負責本集團之內部監控系統，並承擔管理業務風險及維護一個清晰及有效之內部監控，以保障股東投資及本集團資產，並每年與審核委員會檢討內部監控系統之成效。

AUDITORS' REMUNERATION

During the year, PricewaterhouseCoopers, the external auditors of the Company, provided the following services to the Group and their respective fees charged are set out as follows:

Type of services	收取之費用 Fees charged 千港元 HK\$'000
Audit fee for the Group	1,855
Taxation services	110
Total	1,965

ACCOUNTABILITY AND AUDIT

The directors of the Company acknowledge their responsibility for the preparation of the accounts of the Group for the relevant accounting periods in accordance with statutory and regulatory requirements. In preparing the accounts for the six months ended 30 September 2006 and for the year ended 31 March 2007, the directors have adopted appropriate accounting policies and applied them consistently. The accounts for the reporting year have been prepared on a going concern basis.

A statement by the auditors about their reporting responsibilities is set out on pages 33 to 34 in the annual report.

INTERNAL CONTROLS

The Board is responsible for the Group's system of internal controls and is committed to managing business risks and maintaining a sound and effective internal control system to safeguard the shareholders' investment and the Group's assets. The effectiveness of the internal control system was also discussed on an annual basis with the Audit Committee.

內部監控 (續)

本集團之內部監控系統包含其政策、程序、工作連同本集團其他範疇，旨在：

- (1) 容許其適當地於重大業務、營運上、財務上、遵守上及其他風險作出的意見，以促進營運之效率及成效及達致業務目標。此包括保障投資，免受不適當的使用或損失及詐騙，並且保證責任得以確定及處理；
- (2) 確保保存妥當的會計記錄以提供可靠之財務資料供內部使用或對外匯報；及
- (3) 確保遵守相關法例及規定，以及有關工作方式遵守內部政策。

內部監控制度乃為合理但非絕對地確保防範重大錯誤陳述或損失，以及旨在管理而非消除營運制度失當之風險，以達致本集團之目標。

INTERNAL CONTROLS (continued)

The Group's internal control system encompasses its policies, processes, tasks, and other aspects of the Group that taken together:

- (1) facilitate its effective and efficient operation by allowing it to respond appropriately to significant business, operational, financial, compliance and other risks with a view of achieving business objectives. This includes the safeguarding of assets from inappropriate use or from loss and fraud and ensuring that liabilities are identified and managed;
- (2) help ensure maintenance of proper accounting records for the provision of reliable financial information for internal or external reporting; and
- (3) help ensure compliance with relevant legislation and regulations, and also with internal policies with respect to the conduct of business.

The internal control system is designed to provide reasonable, but not absolute, assurance of no material mis-statement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

董事會同寅謹將截至二零零七年三月三十一日止年度報告書連同經已審核之賬目呈覽。

主要業務

本公司為一間投資控股公司，其附屬公司主要從事設計、發展、生產及經銷電子元器件，電子專業生產服務和經銷及製造個人電腦及數碼產品。

本集團於本年度之營業額及經營盈利貢獻依業務及地區分部載列於賬目附註5。

業績及分派

本集團於本年度之業績載列於第35頁之綜合損益表內。

中期股息每股0.01港元已於二零零六年十二月四日宣佈派發，總額為2,787,000港元。董事會建議派發二零零七年三月三十一日止年度之末期股息每股0.015港元，總額為港元4,172,000。

附屬公司

於二零零七年三月三十一日，本公司之主要附屬公司詳情載列於賬目附註19。

物業、機器及設備

本集團物業、機器及設備之變動情況載列於賬目附註17。

股本

於本年度內，本公司股本之變動情況載列於賬目附註31。

認股權證

於本年度內，本公司認股權證之變動情況載列於賬目附註33。

The Directors submit their report together with the audited accounts for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the design, development, manufacturing and distribution of electronic components, electronic manufacturing services and distribution and manufacturing of personal computer and digital products.

An analysis of the Group's turnover and contribution to operating profit by business segment and geographical segment for the year is set out in note 5 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 35.

An interim dividend of HK\$0.01 per share totalling HK\$2,787,000 was declared on 4 December 2006. The Board of Directors proposed a final dividend of HK\$0.015 per share totalling HK\$4,172,000 in respect of the year ended 31 March 2007.

SUBSIDIARIES

Particulars of the company's principal subsidiaries at 31 March 2007 are set out in note 19 to the accounts.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group are set out in note 17 to the accounts.

SHARE CAPITAL

Movements in share capital of the company are set out in note 31 to the accounts.

WARRANTS

Movements in warrants of the company are set out in note 33 to the accounts.

儲備

於本年度內，撥入儲備及自儲備撥出之重大金額及有關詳情載列於賬目附註34。

可供分派儲備

於二零零七年三月三十一日，本公司可分派之儲備計為91,366,000港元（二零零六年：77,386,000港元），此金額已包括繳入盈餘數額72,309,000港元（二零零六年：72,309,000港元）。

捐款

於本年度內，本集團作出之慈善捐款為167,000港元（二零零六年：616,000港元）。

優先購買權

儘管百慕達法例並無對優先購買權加以限制，及本公司組織章程細則並無優先購買權之規定，本公司會按現時股東持有股份比例售賣新股票予股東。

五年財務概要

本集團截至二零零七年三月三十一日止前五個年度每年之綜合業績、資產及負債概要載列於第11至12頁。

主要客戶及供應商

截至二零零七年三月三十一日止年度，本集團之五位最大客戶共佔本年度集團總營業額約為百分之二十三，而最大之客戶約佔百分之十二。本集團之五位最大供應商則共佔本年度集團總採購額約百分之三十三，其中最大之供應商約佔百分之十九。

董事、彼等之聯繫人士或任何股東（指據董事所知擁有本公司百分之五以上股本權益之股東）並無於上述之主要供應商或客戶中擁有任何權益。

RESERVES

The amounts and particulars of material transfers to and from reserves during the year are set out in note 34 to the accounts.

DISTRIBUTABLE RESERVES

At 31 March 2007, the reserves of the company available for distribution amounted to HK\$91,366,000 (2006: HK\$77,386,000), including contributed surplus of HK\$72,309,000 (2006: HK\$72,309,000).

DONATIONS

The Group made charitable donations of HK\$167,000 (2006: HK\$616,000) during the year.

PRE-EMPTIVE RIGHT

There is no provisions for pre-emptive rights under the Company's bye-laws and there was no restriction against such right under the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results, assets and liabilities of the Group for each of the last five years ended 31 March 2007 is set out on pages 11 to 12.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2007, sales to the five largest customers of the Group in total accounted for approximately 23% of the Group's total turnover, with the largest customer accounting for about 12%. The five largest suppliers of the Group together in total accounted for approximately 33% by value of the Group's total purchases during the year, with the largest supplier accounting for about 19%.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the company's share capital) had an interest in the major suppliers or customers noted above.

董事

本年度內及直至本報告日期之在任董事如下：

執行董事

劉得還先生 (總裁)
陳婉薇女士 (副總裁)
尹楚輝先生
麥漢佳先生

獨立非執行董事

畢滌凡先生
蔡毓藩先生
廖毅榮先生

蔡毓藩先生及廖毅榮先生按照本公司之公司組織章程細則第99條輪值告退，惟彼等均願膺選連任。

各董事包括獨立非執行董事獲委任後，須根據本公司組織章程細則在公司之股東週年大會上輪值告退，惟可膺選連任。

董事及高級管理人員之個人資料

執行董事

劉得還先生，現年五十七歲，為本集團之創辦人兼總裁。劉先生畢業於香港浸會學院(現稱香港浸會大學)社會學系及在電子業管理及生產方面擁有超過二十一年經驗。在創立本集團之前，劉先生在電子業內更擁有超過六年經營本身業務之經驗。彼負責本集團整體之企業策劃、策略發展及市場推廣工作。

陳婉薇女士，現年五十歲，為劉得還先生之配偶。陳女士為本集團副總裁兼行政及財務董事，負責集團行政、人力資源及財務管理。彼於一九九八年加入本集團，陳女士擁有超過二十年之會計及財務管理經驗，同時擁有超過十年經營本身業務之經驗。

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Executive directors

Mr. LAU Tak Wan (*President*)
Ms. CHAN Yuen Mei, Pinky (*Vice-president*)
Mr. WAN Chor Fai
Mr. MAK Hon Kai, Stanly

Independent non-executive directors

Mr. Barry John BUTTIFANT
Mr. CHOI Yuk Fan
Mr. LIU Ngai Wing

Mr. CHOI Yuk Fan and Mr. LIU Ngai Wing retire by rotation in accordance with clause 99 of the Company's bye-laws and, being eligible, offer themselves for re-election.

The terms of office of the directors, including the independent non-executive directors, are subject to retirement by rotation and are eligible for re-election at the Company's annual general meeting in accordance with the Company's bye-laws.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive directors

Mr. LAU Tak Wan, aged 57, is the founder and the President of the Group. Mr. Lau graduated from Hong Kong Baptist College (now known as Hong Kong Baptist University) in Sociology and has more than 21 years' management and production experience in the electronics industry. Prior to founding the Group, Mr. Lau had over 6 years' experience in running his own business in the electronics industry. He is responsible for the overall corporate planning, strategic development and marketing of the Group.

Ms. CHAN Yuen Mei, Pinky, aged 50, is the spouse of Mr. LAU Tak Wan. Ms. Chan is the Vice-president of the Group. Also she is the Director of Administration and Finance responsible for administration, human resources and finance of the Group. Prior to joining the Group in 1998, Ms. Chan has over 20 years of experience in accounting and financial management and at the same time running her own business for more than 10 years.

董事及高級管理人員之個人資料 (續)**執行董事** (續)

尹楚輝先生，現年四十九歲，為本集團之CEO(製造業務)。尹先生畢業於香港理工學院(現稱香港理工大學)之生產及工業工程系，現時負責本集團業務發展及生產管理。彼擁有超過十七年之生產管理及市場推廣經驗。在一九八七年加入本集團之前，尹先生在一家國際集團工作，負責管理電子部門。

麥漢佳先生，現年四十五歲，為本集團之CEO(經銷業務)，負責本集團整體之市場策略與電子元器件之經銷。彼於一九八八年加入本集團，擁有超過二十一年電子零件之銷售及市場推廣經驗。

獨立非執行董事

畢滌凡先生，現年六十二歲，於二零零四年十二月獲委任為 Hsin Chong International Holdings Limited (「HCIH」) 之董事總經理。HCIH是一家私人有限公司，並擁有一家於香港上市的物業建築公司 - 新昌營造集團有限公司之重大股權，及一家同樣於香港上市的物業管理服務公司 - 新昌管理集團有限公司。畢先生亦獲委任為該兩家公之替任董事。加入HCIH前，畢先生為霸菱亞洲投資有限公司之營運合夥人。彼於二零零一年至二零零二年期間擔任和記行(集團)有限公司之董事總經理，並於二零零二年至二零零四年期間出任該公司董事會顧問，彼於萬威國際有限公司擔任董事總經理超過8年及曾於森那美香港有限公司及寶麗碧集團工作超過11年，其間曾出任財務董事及董事總經理職務。彼為香港上市公司：佐丹奴國際有限公司及華訊股份有限公司之獨立非執行董事及紐約證券交易所上市 Global-Tech Appliances Inc 之董事。

畢先生為特許公認會計師公會、香港會計師公會、The Chartered Management Institute、香港管理專業協會及香港董事學會之資深會員。彼於一九九四年成為本公司獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**Executive directors** (continued)

Mr. WAN Chor Fai, aged 49, is the CEO (Manufacturing) of the Group. Mr. Wan graduated from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in Production and Industrial Engineering and is responsible for the business development and manufacturing management of the Group. He has more than 17 years' experience in manufacturing and marketing. Prior to joining the Group in 1987, he worked for an international conglomerate and was in charge of the electronics division.

Mr. MAK Hon Kai, Stanly, aged 45, is the CEO (Distribution) of the Group responsible for the Group's overall marketing strategy and the distribution of electronic components. Mr. Mak joined the Group in 1988. He has more than 21 years' experience in the sales and marketing of electronic components.

Independent non-executive directors

Mr. Barry John BUTTIFANT, aged 62, has been appointed as the Managing Director of Hsin Chong International Holdings Limited (「HCIH」) in December 2004. HCIH is a private limited company which has significant shareholdings in a property construction company publicly listed in Hong Kong, Hsin Chong Construction Group Ltd., and a property management service company, also publicly listed in Hong Kong, Synergis Holdings Limited. Mr Buttifant is also an alternate director for both of these companies. Before joining HCIH, Mr. Buttifant was an Operating Partner of Barings Private Equity Partners Asia Limited. He was also the Managing Director of Wo Kee Hong (Holdings) Limited (「Wo Kee Hong」) from 2001 to 2002 and was the Adviser to the board of directors of Wo Kee Hong from 2002 to 2004. He was the Managing Director of IDT International Limited for over 8 years and had worked for Sime Darby Hong Kong Limited and Polly Peck Group for more than 11 years in the capacity of Finance Director and Managing Director during the period. He is also an independent non-executive director of Hong Kong public companies: Giordano International Limited, and Alltronics Holdings Limited, and a director of a NYSE public company, Global-Tech Appliances Inc.

Mr. Buttifant is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Chartered Management Institute; the Hong Kong Management Association and the Hong Kong Institute of Directors. He became an independent non-executive director of the Company in 1994.

董事及高級管理人員之個人資料 (續)**獨立非執行董事** (續)

廖毅榮先生，現年五十六歲，持有香港中文大學環球商業管理學理科碩士學位，香港理工大學酒店及旅遊管理學理科碩士學位及公開大學工商管理碩士學位。

廖先生現時為豐德麗控股有限公司之執行董事；駿新能源集團有限公司及恆豐金業科技有限公司之獨立非執行董事。廖先生為香港會計師公會、特許秘書及行政人員公會會員及特許公認會計師公會之資深會員。

蔡毓藩先生，現年五十四歲，持有由倫敦大學於一九八八年頒發之法律學士學位及於一九九一年由香港大學頒發之法律深造文憑。蔡先生於二零零三年至二零零五年為蔡毓藩律師行負責人，但於二零零五年六月轉至王東昇鍾金榮律師事務所執業，為香港及海外客戶提供法律專業服務。

蔡先生於一九九三年開始從事法律服務工作之前，曾於一九七七年至一九九零年期間在香港政府民政事務署服務十三年。

高級管理人員

何聚聲先生，現年三十五歲，為本集團之合資格會計師及於二零零三年加入本集團。何先生持有香港理工大學會計學學士學位及為香港會計師公會之會員。何先生擁有超過八年之會計、財務及審計工作經驗。

董事服務合約

各執行董事已與本公司訂立服務合約及此等服務合約將於此後一直持續生效，直至任何一方給予不少於三個月或六個月書面通知予以終止為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司訂立仍未屆滿而於一年內免付補償(法定補償除外)則不能予終止之服務合約。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**Independent non-executive directors** (continued)

Mr. LIU Ngai Wing, aged 56, holds a Master of Science Degree in Global Business from the Chinese University of Hong Kong, a Master of Science Degree in Hotel and Tourism Management from the Hong Kong Polytechnic University and a Master Degree in Business Administration from the Open University of Hong Kong.

Mr. Liu is an executive director of eSun Holdings Ltd, independent non-executive director of New Smart Energy Holdings Limited and Hang Fung Gold Technology Ltd. He is an associate member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators, and is also a fellow member of Association of Chartered Certified Accountants.

Mr. CHOI Yuk Fan, aged 54, was awarded Bachelor of Laws Degree (LLB) by University of London in 1988 and Post-graduate Certificate in Laws (PCLL) by University of Hong Kong in 1991. Mr Choi was the Principal of Messrs. Y.F. Choi & Co., Solicitors from 2003 to 2005 but transferred to Messrs. Ong & Chung Co., Solicitors, as an associate providing professional legal services for customers of Hong Kong and foreign countries.

Mr. Choi was admitted as a Solicitor of the High Court of Hong Kong in 1993 and a Solicitor of the Supreme Court of England and Wales in 1994. Before Mr. Choi took up his legal career in 1993, he had served in the Home Affairs Department for about 13 years (1977-1990).

Senior management

Mr. HO Chui Sing, aged 35, is the Qualified Accountant of the Group and joined the Group in 2003. He holds a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants and had over 8 years' accounting, finance and auditing experience.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company and these service contracts will continue thereafter until terminated by either party for not less than three or six months' prior written notice.

None of the directors who are 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.

董事享有權益之合約

除上文所詳述之董事服務合約外及下文所述之關連交易，於年終或本年度內任何時間，本公司或其任何附屬公司概無簽訂任何涉及本集團之業務而本公司董事直接或間接在其中擁有重大權益之其他重要合約。

董事及最高行政人員於本公司或任何有聯繫法團之股份、相關股份及債權證之權益及淡倉

於二零零七年三月三十一日，本公司依據證券及期貨條例（「證券條例」）第352條而設置之登記冊所記錄或根據上市規則上市公司董事進行證券交易的標準守則須另外知會本公司及聯交所者，各董事及最高行政人員在本公司及其有聯繫法團（按證券及期貨條例第XV部之定義）之股份、相關股份及債權證之權益及淡倉如下：

(a) 於本公司每股面值0.10港元之股份好倉

董事姓名 Name of directors	個人權益 Personal interests	非上市認股權證 Unlisted Warrants				附註 Notes	個人權益 Personal interests	附註 Notes	法團權益 Corporate interests	附註 Notes	其他權益 Other interests	附註 Notes	總數 Total interests	百分比 Percentage
		法團權益 Corporate interests	附註 Notes	其他權益 Other interests										
劉得還先生 Mr. LAU Tak Wan	817,142	28,062,390	2&3	3,982,856	4	5,719,999	1	135,139,830	2&3	9,516,665	4	183,238,882	57.73%	
陳婉薇女士 Ms. CHAN Yuen Mei, Pinky	502,856	28,062,390	2&3	4,297,142	4	3,519,998	1	135,139,830	2&3	11,716,666	4	183,238,882	57.73%	
尹楚輝先生 Mr. WAN Chor Fai	—	—	—	—	—	50,000	—	—	—	—	—	50,000	0.02%	
麥漢佳先生 Mr. MAK Hon Kai, Stanly	—	—	—	—	—	1,000,000	—	—	—	—	—	1,000,000	0.32%	
畢滌凡先生 Mr. Barry John BUTTIFANT	—	—	—	—	—	500,000	—	—	—	—	—	500,000	0.16%	

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the directors' service contracts noted above and the connected transactions noted as below, no other contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31 March 2007, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the company under Section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code for Securities Transactions by director of Listed Issuer in the Listing Rules were as follows:

(a) Long position in of HK\$0.10 each in the Company

董事姓名 Name of directors	已發行普通股／衍生工具 所附相關股份之數目 Number of issued ordinary shares/ underlying shares attached to derivatives						已發行普通股 Ordinary shares in issued						總數 Total interests	百分比 Percentage
	個人權益 Personal interests	法團權益 Corporate interests	附註 Notes	其他權益 Other interests	附註 Notes	個人權益 Personal interests	法團權益 Corporate interests	附註 Notes	其他權益 Other interests	附註 Notes				
劉得還先生 Mr. LAU Tak Wan	817,142	28,062,390	2&3	3,982,856	4	5,719,999	1	135,139,830	2&3	9,516,665	4	183,238,882	57.73%	
陳婉薇女士 Ms. CHAN Yuen Mei, Pinky	502,856	28,062,390	2&3	4,297,142	4	3,519,998	1	135,139,830	2&3	11,716,666	4	183,238,882	57.73%	
尹楚輝先生 Mr. WAN Chor Fai	—	—	—	—	—	50,000	—	—	—	—	—	50,000	0.02%	
麥漢佳先生 Mr. MAK Hon Kai, Stanly	—	—	—	—	—	1,000,000	—	—	—	—	—	1,000,000	0.32%	
畢滌凡先生 Mr. Barry John BUTTIFANT	—	—	—	—	—	500,000	—	—	—	—	—	500,000	0.16%	

董事及最高行政人員於本公司或任何有聯繫法團之股份、相關股份及債權證之權益及淡倉 (續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

(a) 於本公司每股面值0.10港元之股份好倉 (續)

附註：

1. 劉先生及陳女士(劉先生之配偶)聯名擁有本公司360,000認股權證及股份2,520,000股。
2. China Capital Holdings Investment Ltd (「China Capital」)實益擁有本公司10,083,226認股權證及股份72,200,598股。China Capital之百分之六十已發行股本由劉先生擁有，餘下百分之四十已發行股本由陳女士擁有。
3. Leading Trade Ltd(「Leading Trade」)實益擁有本公司17,979,164認股權證及62,939,232股。Leading Trade百分之五十已發行股本由劉先生擁有，餘下百分之五十已發行股本由陳女士擁有。
4. Cyber Concept Limited(「Cyber Concept」)實益擁有本公司3,840,000認股權證及股份8,516,667股。Cyber Concept百分之五十已發行股本由劉先生擁有，餘下百分之五十已發行股本由陳女士擁有。

(b) 於本公司有聯繫法團之股份

Dominion International Limited由劉得還先生及陳婉薇女士各擁有百分之五十權益：

寰宇電線有限公司
Cosmos Wires and Connectors Manufacturing Limited
Westpac Digital Limited
宏標實業有限公司
Vastpoint Industrial Limited
台和商事有限公司
Daiwa Associate (H.K.) Limited

此外，劉先生及陳女士分別實益擁有寰宇精準工業有限公司之無投票權遞延股份140,000股及10,000股。

(a) Long position in of HK\$0.10 each in the Company (continued)

Notes:

1. 360,000 warrants and 2,520,000 shares in the Company were jointly held by Mr. Lau and Ms. Chan (the spouse of Mr. Lau).
2. 10,083,226 warrants and 72,200,598 shares in the Company were beneficially owned by China Capital Holdings Investment Ltd ("China Capital"). The issued share capital of China Capital is 60% owned by Mr. Lau, and 40% owned by Ms. Chan.
3. 17,979,164 warrants and 62,939,232 shares in the Company were beneficially owned by Leading Trade Ltd ("Leading Trade"). The issue share capital of Leading Trade is 50% owned by Mr. Lau and 50% owned by Ms. Chan.
4. 3,840,000 warrants and 8,516,667 shares in the Company were beneficially owned by Cyber Concept Limited ("Cyber Concept"). The issued share Capital of Cyber Concept is 50% owned by Mr. Lau and 50% owned by Ms. Chan.

(b) Shares of associated corporations of the company

Dominion International Limited, which is 50% owned by Mr. Lau, and 50% owned by Ms. Chan:

**持有之無投票權遞延股份數目
Number of non-voting
deferred shares held**

寰宇電線有限公司 Cosmos Wires and Connectors Manufacturing Limited	50,000
Westpac Digital Limited	1
宏標實業有限公司 Vastpoint Industrial Limited	455,000
台和商事有限公司 Daiwa Associate (H.K.) Limited	1,500,000

In addition, each of Mr. Lau and Ms. Chan beneficially owns 140,000 and 10,000 non-voting deferred shares respectively in Cosmotec Precision Industrial Limited.

董事及最高行政人員於本公司或任何有聯繫法團之股份、相關股份及債權證之權益及淡倉 (續)

除上述披露者外，於二零零七年三月三十一日，本公司依據證券及期貨條例第352條規定保存之名冊中記載或根據上市規則上市公司董事進行證券交易的標準守則須另外知會本公司及聯交所者，概無本公司董事或最高行政人員或彼等之聯繫人士於本公司或其相聯法團(定義見證券及期貨條例第XV部分)之股份、相關股份及債券中擁有任何權益及淡倉。

管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

關連交易

於二零零六年六月一日，Elite Century Holdings Inc. 其中一間附屬公司與劉得還先生及陳婉薇女士共同擁有之公司就一間加拿大辦事處訂立一項租售協議，為期由二零零六年六月一日至二零一一年五月三十一日。此辦事處之月租為15,332.64加元。

根據上市規則，上述交易構成關連交易。董事認為，上述交易按正常商業條款及按公平磋商基準訂立或並就整體而言，對本公司股東言屬公平合理。

根據上市規則，上述各項關連交易構成獲豁免關連交易。

除上文所述者外，本年度內，本公司或其附屬公司均無參予任何交易，乃根據香港聯合交易所有限公司之《證券上市規則》(「上市規則」)被界定為本公司須予披露的關連交易。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

Save as disclosed above, as at 31 March 2007, none of the directors or chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers in the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CONNECTED TRANSACTIONS

One of the subsidiaries of Elite Century Holdings Inc. had entered into a rental agreement in respect of office space in Canada on 1 June 2006 with a company jointly owned by Mr. Lau Tak Wan and Ms. Chan Yuen Mei, Pinky for the period from 1 June 2006 to 31 May 2011. Monthly rental paid for the office premises is CAN\$15,332.64.

The above constituted a connected transaction under the Listing Rules. The Directors are of the opinion that the above transaction was entered into on normal commercial terms and on an arm's length basis and is fair and reasonable so far as the shareholders of the Company, taken as a whole, are concerned.

The above connected transaction constituted an exempted connected transaction under the Listing Rules.

Save as disclosed above, neither the Company nor its subsidiaries had entered into any connected transactions discloseable by the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year.

購股權計劃

於二零零五年八月十八日，本公司為遵守上市規則第17章之規定採納新購股權計劃（「新計劃」），以取代過往有效之舊購股權計劃（「舊計劃」）。截至二零零七年三月三十一日止本公司概無根據新計劃授出購股權及根據舊計劃授出而於期內未行使之購股權。

主要股東的權益

於二零零七年三月三十一日，就各董事所深知，本公司根據證券及期貨條例第336條所存置之登記冊所載，直接或間接擁有本公司已發行股本5%或以上權益之人仕（本公司董事或最高行政人員除外）如下：

於本公司股份的權益

Leading Trade Limited
China Capital Holdings Investment Limited

附註：

- Leading Trade Limited之50%權益為劉得還先生所擁有及50%權益為陳婉薇女士所擁有。因此，根據證券及期貨條例，Leading Trade Limited、劉先生及陳女士均被視為擁有62,939,232、183,238,882及183,238,882股本公司股份之權益。
- China Capital Holdings Investment Limited之60%權益為劉得還先生所擁有及40%權益為陳婉薇女士所擁有。因此，根據證券及期貨條例，China Capital Holdings Investment Limited、劉先生及陳女士分別被視為擁有72,200,598、183,238,882及183,238,882股本公司股份之權益。

SHARE OPTION SCHEMES

On 18 August 2005, the Company adopted a new share option scheme (the "New Scheme") in compliance with Chapter 17 of the Listing Rules, which replaced the old share option scheme (the "Old Scheme") in force previously. The Company has not granted any options under the New Scheme and no share options were outstanding as at 31 March 2007.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2007, to the best knowledge of the directors, the following parties (other than a director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company:

Interests in the shares of the Company

	附註 Note	持有股份數目 Number of shares held	佔已發行股份 總數百分比 % of the total issued shares
Leading Trade Limited	1	62,939,232	22.63%
China Capital Holdings Investment Limited	2	72,200,598	25.96%

Notes:

- Leading Trade Limited is 50% owned by Mr. LAU Tak Wan and 50% owned by Ms. CHAN Yuen Mei, Pinky. Accordingly, Leading Trade Limited, Mr. Lau and Ms. Chan were deemed by SFO to be interested in 62,939,232, 183,238,882 and 183,238,882 shares of the Company.
- China Capital Holdings Investment Limited is 60% owned by Mr. LAU Tak Wan and 40% owned by Ms. CHAN Yuen Mei, Pinky. Accordingly, China Capital Holdings Investment Limited, Mr. Lau and Ms. Chan were deemed by SFO to be interested in 72,200,598, 183,238,882 and 183,238,882 shares of the Company respectively.

主要股東的權益 (續)

除上述披露外，於二零零七年三月三十一日，本公司未獲通知任何超過本公司已發行股本5%或以上且已記錄入按證券及期貨條例第336條設立之主要股東名冊之權益。

公眾持股量之充足性

基於本公司可公開獲得之資料並就其董事所知，本公司已於回顧年度全年維持足夠之公眾持股量。

企業管治常規

本公司之企業管治常規詳情載列於第14至21頁。

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關其獨立性之規定。本公司認為所有獨立非執行董事均屬獨立人士。

審核委員會

本公司已參照由香港會計師公會發出之「成立審核委員會指引」編製及採納列明審核委員會之職權及責任之職權範圍書。審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會亦負責檢討公司內部審核工作，以及內部監控與風險評估等方面的效能。委員會由三位獨立非執行董事畢滌凡先生、蔡毓藩先生及廖毅榮先生組成。委員會於本財政年度內已召開兩次會議。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

(continued)

Save as disclosed above, the Company has not been notified of any other interest representing 5% or more of the issued share capital of the Company and recorded in the register of Substantial Shareholders maintained under Section 336 of the SFO as at 31 March 2007.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year under review.

CORPORATE GOVERNANCE PRACTICE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 14 to 21.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent non-executive directors are independent.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. Audit Committee provides an important link between the Board and the company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of both the internal audit and of internal controls and risk evaluation. The Committee comprises three independent non-executive directors, namely Mr. Barry John BUTTIFANT, Mr. CHOI Yuk Fan and Mr. LIU Ngai Wing. Two meetings were held during the current financial year.

購買、出售或贖回本公司之上市證券

於本年度內，本公司於香港聯合交易所有限公司購回合共1,640,000股本公司每股面值0.10港元之股份，該等股份已全部註銷。購回股份之詳情如下：

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

During the year ended 31 March 2007, the Company purchased a total of 1,640,000 shares of HK\$0.10 each of the Company on The Stock Exchange of Hong Kong Limited, all of which shares were cancelled. Particulars of the shares repurchased are as follows:

交易月份／年份 Trading Month/Year	購回 股份數目 Number of shares repurchased	每股股份成交價 Price per share		總額(包括 交易費用開支) Total cost (Including expenses) 港元 HK\$
		所付最高價 Highest price paid 港元 HK\$	所付最低價 Lowest price paid 港元 HK\$	
二零零六年四月 April 2006	32,000	0.530	0.520	17,168
二零零六年五月 May 2006	148,000	0.510	0.490	73,910
二零零六年六月 June 2006	32,000	0.485	0.475	15,774
二零零六年七月 July 2006	40,000	0.465	0.465	18,723
二零零六年八月 August 2006	390,000	0.480	0.445	177,800
二零零六年九月 September 2006	426,000	0.495	0.465	205,823
二零零六年十月 October 2006	18,000	0.480	0.470	8,834
二零零七年一月 January 2007	130,000	0.490	0.475	63,076
二零零七年二月 February 2007	192,000	0.485	0.475	92,640
二零零七年三月 March 2007	232,000	0.495	0.475	113,219
	<u>1,640,000</u>			<u>786,967</u>

除上述披露外，本公司或其任何附屬公司於截至二零零七年三月三十一日止期間內概無購買、出售或贖回任何本公司之上市證券。

Save as disclosed above, Neither the Company nor any of its subsidiaries purchased, sold and redeemed any of the Company's listed securities during the year ended 31 March 2007.

核數師

本年度賬目已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟符合資格，願膺選連任。

承董事會命
總裁
劉得遷

香港，二零零七年七月二十七日

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
LAU Tak Wan
President

Hong Kong, 27 July 2007



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central, Hong Kong

致 台和商事控股有限公司
(於百慕達註冊成立的有限公司)
全體股東

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
DAIWA ASSOCIATE HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

本核數師(以下簡稱「我們」)已審核列載於第35至113頁台和商事控股有限公司(「公司」)及其附屬公司(以下合稱「集團」)的綜合財務報表，此綜合財務報表包括於二零零七年三月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

We have audited the consolidated financial statements of Daiwa Associate Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 35 to 113, 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.

董事就財務報表須承擔的責任

公司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及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，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；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated 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 the 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.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向全體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

Auditor's responsibility

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

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

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.

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。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製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所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，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映公司及集團於二零零七年三月三十一日的事務狀況及集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零七年七月二十七日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 consolidated 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 profit 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 the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 July 2007

綜合損益表

Consolidated Income Statement

截至二零零七年三月三十一日止年度

For the year ended 31 March 2007

			二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		附註 Note		
營業額	Turnover	5	1,737,449	1,540,139
銷售成本	Cost of sales	7	(1,562,893)	(1,395,520)
毛利	Gross profit		174,556	144,619
其他收益	Other income	6	2,114	1,482
銷售及經銷開支	Selling and distribution expenses	7	(29,678)	(24,083)
一般及行政開支	General and administrative expenses	7	(123,351)	(100,774)
經營溢利	Operating profit		23,641	21,244
融資成本	Finance costs	9	(8,313)	(3,769)
應佔共同控制實體虧損	Share of loss of a jointly controlled entity	20	—	(1,638)
除稅前溢利	Profit before income tax		15,328	15,837
利得稅開支	Income tax expense	10	(6,011)	(3,570)
本年度溢利	Profit for the year		9,317	12,267
應佔溢利：	Attributable to:			
本公司權益持有人	Equity holders of the Company	13	10,994	12,648
少數股東權益	Minority interests		(1,677)	(381)
			9,317	12,267
股息	Dividends	14	6,959	5,447
本公司權益持有人應佔 每股盈利	Earnings per share for profit attributable to equity holders of the Company			
— 基本	— Basic	15	HK4.00 cents	HK4.65 cents
— 攤薄	— Diluted	15	HK3.99 cents	HK4.63 cents

綜合資產負債表

Consolidated Balance Sheet

二零零七年三月三十一日

31 March 2007

		附註 Note	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
非流動資產	Non-current assets			
商譽	Goodwill	16	25,079	24,811
物業、機器及設備	Property, plant and equipment	17	178,153	145,662
租賃土地及土地使用權	Leasehold land and land use rights	18	25,376	26,093
共同控制實體權益	Interest in a jointly controlled entity	20	1	1
遞延所得稅資產	Deferred income tax assets	30	701	1,088
可供出售財務資產	Available-for-sale financial assets	21	4,340	141
其他資產	Other assets		710	710
			234,360	198,506
流動資產	Current assets			
存貨	Inventories	22	256,753	202,043
應收營業賬項	Trade receivables	23	177,168	188,277
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	24	11,456	12,302
衍生金融工具	Derivative financial instruments	29	344	—
稅項收回	Taxation recoverable		—	582
現金及現金等價物	Cash and cash equivalents	25	93,432	83,540
			539,153	486,744
總資產	Total assets		773,513	685,250
權益	Equity			
公司權益持有人應佔股本及儲備	Capital and reserves attributable to equity holders of the Company			
股本	Share capital	31	27,814	27,218
儲備	Reserves	34	342,435	330,953
			370,249	358,171
少數股東權益	Minority interests		1,187	1,246
權益總額	Total equity		371,436	359,417
非流動負債	Non-current liabilities			
借貸	Borrowings	26	50,377	6,196
遞延所得稅負債	Deferred income tax liabilities	30	5,015	4,559
其他長期負債	Other long-term liabilities		—	5,692
			55,392	16,447
流動負債	Current liabilities			
借貸	Borrowings	26	140,336	87,053
應付營業賬項	Trade payables	27	180,177	203,392
應付費用及其他應付款項	Accruals and other payables	28	23,710	18,480
應付稅項	Taxation payable		2,462	—
衍生金融工具	Derivative financial instruments	29	—	461
			346,685	309,386
總負債	Total liabilities		402,077	325,833
總權益及負債	Total equity and liabilities		773,513	685,250
流動資產淨值	Net current assets		192,468	177,358
資產總值減流動負債	Total assets less current liabilities		426,828	375,864

於二零零七年七月二十七日經董事會通過：

Approved by the Board of Directors on 27 July 2007:

劉得還
總裁

陳婉薇
副總裁

LAU Tak Wan
President

CHAN Yuen Mei, Pinky
Vice-president

資產負債表

Balance Sheet

二零零七年三月三十一日

31 March 2007

			二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
非流動資產	Non-current assets			
附屬公司投資	Investments in subsidiaries	19	34,038	34,038
應收附屬公司款項	Amounts due from subsidiaries	37(b)	292,423	272,692
			326,461	306,730
流動資產	Current assets			
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	24	192	214
現金及現金等價物	Cash and cash equivalents	25	52	25
			244	239
總資產	Total assets		326,705	306,969
權益	Equity			
公司權益持有人應佔 股本及儲備	Capital and reserves attributable to equity holders of the Company			
股本	Share capital	31	27,814	27,218
儲備	Reserves	34	298,496	279,492
權益總額	Total equity		326,310	306,710
流動負債	Current liabilities			
應付費用及其他應付款項	Accruals and other payables	28	354	259
應付稅項	Taxation payable		41	—
			395	259
總權益及負債	Total equity and liabilities		326,705	306,969
流動負債淨值	Net current liabilities		(151)	(20)
資產淨值	Net assets		326,310	306,710

於二零零七年七月二十七日經董事會通過：

Approved by the Board of Directors on 27 July 2007:

劉得遷
總裁

陳婉薇
副總裁

LAU Tak Wan
President

CHAN Yuen Mei, Pinky
Vice-president

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零七年三月三十一日止年度

For the year ended 31 March 2007

		二零零七 2007 附註 Note 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
經營業務之現金流量	Cash flows from operating activities		
營運之現金(流出)／ 流入淨額	Net cash (outflow)/ inflow from operations	35(a) (27,096)	36,223
支付利息	Interest paid	(8,313)	(3,769)
收取利息	Interest received	1,233	663
支付香港利得稅	Hong Kong profits tax paid	(691)	(1,135)
支付中國企業所得稅款	Mainland China enterprise income tax paid	(1,774)	(1,465)
加拿大所得稅退款／(支付)	Canadian income tax refunded/(paid)	341	(2,501)
		<hr/>	<hr/>
經營業務之現金 (流出)／流入淨額	Net cash (outflow)/inflow from operating activities	(36,300) -----	28,016 -----
投資業務之現金流量	Cash flows from investing activities		
購買物業、機器及設備	Purchases of property, plant and equipment	35(d) (34,820)	(25,609)
出售物業、機器及設備 及土地及土地使用權 所得款項	Proceeds from disposal of property, plant and equipment, and leasehold land and land use rights	35(b) 533	38
購買租賃土地及土地使用權	Purchase of leasehold land and land use rights	(180)	(2,208)
購買可供出售財務資產	Purchase of available-for-sale financial assets	(247)	—
收購附屬公司	Acquisition of subsidiaries	35(c) (360)	—
		<hr/>	<hr/>
投資業務之現金流出淨額	Net cash outflow from investing activities	(35,074) -----	(27,779) -----

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零七年三月三十一日止年度

For the year ended 31 March 2007

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
融資業務之現金流量	Cash flows from financing activities		
發行股份	Proceeds from issue of shares	3,800	3,374
股份成本	Share issue costs	(6)	(1)
購回股份	Purchase of own shares	(782)	(268)
附屬公司少數股東 之收取貢獻	Contribution received from minority shareholders of a subsidiary	—	1,000
新增銀行貸款	New bank borrowings	440,750	237,296
償還銀行貸款	Repayment of bank borrowings	(355,882)	(211,361)
融資租賃租金支出之 本金部份	Payment of capital element of finance lease obligations	(3,194)	(4,437)
支付股息	Dividends paid	(3,681)	(8,181)
		<hr/>	<hr/>
融資業務之現金流入淨額	Net cash inflow from financing activities	81,005	17,422
		<hr/>	<hr/>
現金及現金等額之增加淨額	Net increase in cash and cash equivalents	9,631	17,659
		<hr/>	<hr/>
於四月一日之現金及現金等額	Cash and cash equivalents at 1 April	83,540	65,037
		<hr/>	<hr/>
現金及現金等額之 滙兌盈餘	Exchange gains on cash and cash equivalents	261	844
		<hr/>	<hr/>
於三月三十一日之現金及 現金等額	Cash and cash equivalents at 31 March	93,432	83,540
		<hr/>	<hr/>

截至二零零七年三月三十一日止年度

For the year ended 31 March 2007

公司權益持有人應佔
Attributable to equity holders
of the Company

		股本 Share capital 千港元 HK\$'000 (附註31) (Note 31)	儲備 Reserves 千港元 HK\$'000 (附註34) (Note 34)	總額 Total 千港元 HK\$'000	少數股東 權益 Minority interests 千港元 HK\$'000	權益總額 Total Equity 千港元 HK\$'000
於二零零六年四月一日	At 1 April 2006	27,218	330,953	358,171	1,246	359,417
由於發行股份	Issue of shares upon					
行使認股權證	exercise of warrants	760	3,040	3,800	—	3,800
發行股份成本	Share issue costs	—	(6)	(6)	—	(6)
購回股份	Purchase of own shares	(164)	(618)	(782)	—	(782)
收購附屬公司	Acquisition of subsidiaries	—	—	—	1,618	1,618
股息	Dividends	—	(3,681)	(3,681)	—	(3,681)
		596	(1,265)	(669)	1,618	949
		27,814	329,688	357,502	2,864	360,366
外幣換算差額	Currency translation differences	—	707	707	—	707
年度溢利	Profit for the year	—	10,994	10,994	(1,677)	9,317
重估可供出售財務 資產收益	Gain on revaluation of available-for-sale financial assets	—	1,046	1,046	—	1,046
年度認可之收入及 支出總額	Total recognised income and expenses for the year	—	12,747	12,747	(1,677)	11,070
於二零零七年三月三十一日	At 31 March 2007	27,814	342,435	370,249	1,187	371,436

截至二零零七年三月三十一日止年度

For the year ended 31 March 2007

		公司權益持有人應佔 Attributable to equity holders of the Company			少數股東 權益 Minority interests	權益總額 Total Equity
		股本 Share capital 千港元 HK\$'000 (附註31) (Note 31)	儲備 Reserves 千港元 HK\$'000 (附註34) (Note 34)	總額 Total 千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零五年四月一日	At 1 April 2005	26,596	323,013	349,609	627	350,236
由於發行股份 行使認股權證	Issue of shares upon exercise of warrants	675	2,699	3,374	—	3,374
發行股份成本	Share issue costs	—	(1)	(1)	—	(1)
購回股份	Purchase of own shares	(53)	(215)	(268)	—	(268)
少數股東股本 貢獻	Capital contribution from minority interests	—	—	—	1,000	1,000
股息	Dividends	—	(8,181)	(8,181)	—	(8,181)
		622	(5,698)	(5,076)	1,000	(4,076)
		27,218	317,315	344,533	1,627	346,160
外幣換算差額	Currency translation differences	—	990	990	—	990
年度溢利	Profit for the year	—	12,648	12,648	(381)	12,267
年度認可之收入及 支出總額	Total recognised income and expenses for the year	—	13,638	13,638	(381)	13,257
於二零零六年三月三十一日	At 31 March 2006	27,218	330,953	358,171	1,246	359,417

1. 一般資料

台和商事控股有限公司(「本公司」)於一九九四年二月三日根據一九八一年百慕達公司法於百慕達註冊成立為獲豁免有限公司。其註冊辦事處地址為Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda。本公司於一九九四年四月十四日香港聯合交易所有限公司(「聯交所」)上市。

本公司及其附屬公司(統稱為「集團」)主要從事設計、發展、生產及經銷電子元器件，合約電子專業生產服務及電子消費產品業務及經銷及生產個人電腦及數碼產品。集團主要業務位於香港、中國、日本及加拿大。

本財務報表以港元呈報。

本財務報表於二零零七年七月二十七日獲董事會批准刊發。

2. 重要會計政策概要

在編製財務報表中所採用之主要會計政策摘要如下。這些政策最近數年均一致應用，除了說明如下。

(a) 編製基準

本集團之綜合賬目乃根據香港財務報告準則而編製。綜合賬目乃根據歷史成本常規法編製，惟若干金融資產及金融負債(包括衍生工具)按公平值計量(如適用)。

編製符合香港財務報告準則之賬目需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

截至二零零七年三月三十一日止年度，以下準則、準則之修訂及詮釋已強制適用。

1. GENERAL INFORMATION

Daiwa Associate Holdings Limited ("the Company") is a limited liability company incorporated in Bermuda on 3 February 1994 as an exempted company under Companies Act 1981 of Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 14 April 1994.

The Company and its subsidiaries (together "the Group") are principally engaged in the design, development, manufacturing and distribution of electronic components, contract electronic manufacturing services and consumer electronics, and the manufacturing and distribution of personal computer and digital products. The Group operates mainly in Hong Kong, Mainland China, Japan and Canada.

These financial statements are presented in Hong Kong dollars (HK\$).

These financial statements have been approved for issue by the Company's Board of Directors on 27 July 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements are prepared under the historical cost convention except that certain financial assets and financial liabilities (including derivative financial instruments) are measured at fair value, as appropriate.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The following standards, amendments to standards and interpretations are mandatory for financial year ended 31 March 2007.

2. 重要會計政策概要 (續)**(a) 編製基準 (續)**

香港會計準則
第19號 (經修訂) 精算損益、集團計劃及披露

香港會計準則
第21號 (經修訂) 於國外業務的投資淨額

香港會計準則
第39號 (經修訂) 預測內部交易的現金流量對沖會計法

香港會計準則
第39號 (經修訂) 公平值選擇權

香港會計準則
第39號及香港
財務報告準則
第4號 (經修訂) 財務擔保合約

香港財務報告準則
第1號 (經修訂) 首次採納香港財務報告準則及礦產資源的開採和估值及香港財務報告準則第6號 (經修訂)

香港財務報告準則
第6號 礦產資源的開採和估值

香港 (國際財務報告
詮釋委員會)
— 詮釋第4號 確定一項安排是否包含租賃

香港 (國際財務報告
詮釋委員會)
— 詮釋第5號 對拆卸、復原及環境復修基金權益的權利

香港 (國際財務
報告詮釋委員會)
— 詮釋第6號 參與特殊市場 — 電器及電子設備廢料產生的責任

採納以上該等準則、準則之修訂及詮釋對本集團並無重大影響。

以下已公佈之新準則、準則之修訂及詮釋並未生效及未被提前採納。本集團相信採納該等準則、準則之修訂及詮釋將不會使本集團之會計政策產生重大改變。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) Basis of preparation (continued)**

HKAS 19 (Amendment) Actuarial Gains and Losses, Group Plans and Disclosures

HKAS 21 (Amendment) Net Investment in a Foreign Operation

HKAS 39 (Amendment) Cash Flow Hedge Accounting of Forecast Intragroup Transactions

HKAS 39 (Amendment) The Fair Value Option

HKAS 39 & HKFRS 4 (Amendments) Financial Guarantee Contracts

HKFRS 1 & HKFRS 6 (Amendments) First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources

HKFRS 6 Exploration for and Evaluation of Mineral Resources

HKFRS-Int 4 Determining whether an Arrangement Contains a Lease

HKFRS-Int 5 Rights to Interests rising from Decommissioning, Restoration and Environmental Rehabilitation Funds

HK(IFRIC)-Int 6 Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment

The adoption of the above standards, amendments to standards and interpretations did not have any significant financial impact to the Group.

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted. The directors anticipate that the adoption of these standards, amendments to standards and interpretations will not result in substantial changes to the Group's accounting policies.

2. 重要會計政策概要 (續)**(a) 編製基準 (續)**

香港會計準則 第1號(經修訂)	財務報表重列方式： 資本披露
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	營運分部
香港(國際財務報告 詮釋委員會) — 詮釋第7號	應用香港會計準則第29號 「嚴重通脹經濟中之財 務報告」下之重列法
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 範圍
香港(國際財務報告 詮釋委員會) — 詮釋第9號	重新評估嵌入式衍生工具
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
香港(國際財務報告 詮釋委員會) — 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易
香港(國際財務報告 詮釋委員會) — 詮釋第12號	服務專利權安排

(b) 綜合賬目

綜合財務報表包括本公司及其全部附屬公司截至三月三十一日止之財務報表。

(i) 附屬公司

附屬公司乃指本集團有權監控其財務及營運政策之所有實體(包括特別目的之實體)，一般表示本集團擁有該實體半數以上投票權。在評定本集團是否控制另一實體時，目前可行使或可兌換之潛在投票權之存在及影響均予考慮。

附屬公司之賬目自控制權轉讓予本集團之日起全面綜合計入，並自該控制權終止之日停止綜合計入賬目。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) Basis of preparation (continued)**

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
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
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March.

(i) Subsidiaries

Subsidiaries are entities, including special purpose entities, over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 重要會計政策概要 (續)**(b) 綜合賬目 (續)****(i) 附屬公司 (續)**

就本集團收購附屬公司以收購會計法入賬。收購成本按所給予資產、所發行股本工具及所產生或承擔負債於交換日期之公平值，另加收購之直接應佔成本計量。於業務合併取得之可識別資產以及承擔之負債及或然負債，而不論任何少數股東權益之數額，初步按收購日期之公平值計量。收購成本超出本集團應佔所取得可識別資產淨值公平值之差額乃入賬為商譽。倘收購成本少於所收購附屬公司資產淨值之公平值，則有關差額直接於收益表確認。

集團內公司間之交易以及集團內公司間之交易所產生結餘及未變現收益均予以對銷。惟被視為顯示所轉讓資產出現減值外，未變現虧損亦會對銷。

附屬公司之會計政策已作所需變動，以確保與本集團所採納政策一致。

於附屬公司之投資在本公司資產負債表以成本值扣減減值虧損撥備入賬(如有)。附屬公司之業績由本公司按已收及應收股息基準入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Consolidation (continued)****(i) Subsidiaries (continued)**

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus expenses directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2. 重要會計政策概要 (續)**(b) 綜合賬目 (續)****(i) 附屬公司 (續)**

綜合入賬附屬公司淨資產之少數股東權益乃與本集團於其中所擁有股本權益分開呈列。於該等淨資產之少數股東權益包括於原本之企業合併日期之該等權益金額及自合併日期以來少數股東應佔股本權益之變動。少數股東之權益，初步以被收購公司之資產、負債及或然負債的公平值按少數股東之股份比例計量超過少數股東於附屬公司股本權益而適用於少數股東之虧損乃與本集團之權益對銷，惟倘如少數股東有具約束力之義務及能夠額外作出投資以填補虧損則除外。

(ii) 共同控制實體

共同控制實體指涉及成立法團、合夥經營或其他實體之合營企業，當中每名合營方均擁有權益。該實體之經營方式與其他實體相同，惟合營方之間合約安排規定彼等對有關實體之經濟活動擁有共同控制權。

於共同控制實體之投資以權益會計法入賬，初步按成本確認。本集團之應佔共同控制實體收購後溢利或虧損於收益表確認，而應佔收購後儲備變動則於儲備確認。累計收購後變動於投資賬面值調整。倘本集團應佔共同控制實體之虧損相等於或超出其於該共同控制實體之投資（包括任何其他無抵押應收款項），本集團不會進一步確認虧損，除非本集團已代表共同控制實體承擔負債或付款。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Consolidation (continued)****(i) Subsidiaries (continued)**

Minority interests in the net assets of consolidated subsidiaries are identified separately from the equity attributable to the Company's equity holders therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of the respective entities' changes in equity since the date of the combination. The interests of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(ii) Jointly controlled entity

A jointly controlled entity is an entity established under a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to a joint control and none of the participating parties has unilateral control over the economic activity.

In the consolidated financial statements, investment in jointly controlled entity are accounted for by the equity method of accounting and are initially recognised at cost. The Group's share of post-acquisition profits or losses of jointly controlled entity is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

2. 重要會計政策概要 (續)**(b) 綜合賬目 (續)****(ii) 共同控制實體 (續)**

本集團與其共同控制實體間之交易所產生未變現收益與本集團於該共同控制實體之權益對銷。惟交易有證據顯示所轉讓資產出現減值則除外，未變現虧損亦會對銷。共同控制實體之會計政策在必要情況下已予以修訂，以確保符合本集團所採納之政策。

(c) 分部報告

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報有別於在其他經濟環境中營運的分部。

(d) 外幣換算**(i) 功能和呈報貨幣**

本集團旗下各公司之財務報表所列項目均採用有關公司營業所在之主要經濟環境通用之貨幣（「功能貨幣」）為計算單位。

綜合財務報表以港元呈報。港元為本公司之功能貨幣及呈報貨幣。

(ii) 交易及結餘

外幣交易按交易當日適用之匯率兌換為功能貨幣。因結算交易及按結算日匯率換算貨幣資產和負債產生之外匯損益均於收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Consolidation (continued)****(ii) Jointly controlled entity (continued)**

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the assets transferred. Accounting policies of the jointly controlled entity have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in HK\$, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

2. 重要會計政策概要 (續)**(d) 外幣換算 (續)****(iii) 集團公司**

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為列賬貨幣：

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份損益表內的收入和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額確認為權益的獨立組成項目。

在綜合賬目時，換算海外業務的淨投資，以及換算借貸及其他指定作為該等投資對沖的貨幣工具所產生的匯兌差額列入股東權益。售出或清理部分海外業務時，該等匯兌差額在損益表確認為出售盈虧的一部份。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債，並按收市匯率換算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Foreign currency translation (continued)****(iii) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2. 重要會計政策概要 (續)

(e) 土地租賃及土地使用權

土地租賃及土地使用權須先付的數額於營運租賃內列賬。有關金額按成本減去累計攤銷及累計減值損失(如有)列賬。成本主要包含支付廠房及物業所在土地之使用權之金額。土地使用權由38至69年不等。租賃及土地使用權期內按直線法攤銷。

(f) 物業、機器及設備

物業、機器及設備(在建工程除外)均按歷史成本減累計折舊及累計減值虧損(如有)入賬。歷史成本包括收購有關項目直接應佔開支。

當與項目有關之未來經濟利益可能流入本集團，而該項目成本能可靠計算時，其後成本方會計入資產之賬面值或確認為獨立資產(按適用情況而定)。其他維修及保養費用於產生期間於收益表支銷。

物業、機器及設備之折舊以直線法或剩餘價值法於各資產估計可用年期內攤分其成本至剩餘價值，所採用品率如下：

物業	直線法2%
廠房設備及機器	剩餘價值法15%
租約物業裝修、傢俬及設備	剩餘價值法10%至33%
汽車	剩餘價值法15%至33%
模具及工具	剩餘價值法15%

固定資產中之融資租賃亦按照以上之年率記錄及作出折舊。

資產之剩餘價值及可用年期於各結算日審閱及調整(如適用)。

倘資產之賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額。

出售有關資產之損益透過比較所得款項與賬面值釐定，並計入損益表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leasehold land and land use rights

The up-front prepayments made for leasehold land and land use rights are stated as cost less accumulated amortisation and accumulated impairment losses (if any). Cost mainly represents consideration paid for the rights to use the land on which various plants and buildings are situated for a period of 38 to 69 years. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the relevant leases.

(f) Property, plant and equipment

Property, plant and equipment other than construction-in-progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line or reducing balance methods to allocate cost of each asset to their residual values over their estimated useful lives, as follows:

Buildings	straight-line 2%
Plant and machinery	reducing balance 15%
Leasehold improvements, furniture, fixtures and equipment	reducing balance 10% to 33%
Motor vehicles	reducing balance 15% to 33%
Moulds and tooling	reducing balance 15%

Plant and machinery held under finance leases are recorded and depreciated on the same basis as described above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets and are recognised in the income statement.

2. 重要會計政策概要 (續)**(f) 物業、機器及設備 (續)**

在建工程乃指在建築期間之廠房及製作中之模具，並以成本減累積減值虧損入賬。成本包括土地、建築支出及利息及其他建築直接成本。在建工程不予折舊。在建工程完成後將會轉撥至物業、機器及設備，並且根據上述所載之政策折舊。

(g) 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司的淨可識辨資產公平值及或然負債得出的數額。收購附屬公司的商譽包括在無形資產內。商譽每年就減值進行測試，並按成本減累計減值虧損列賬。出售某個實體的盈虧包括與被出售實體有關的商譽的賬面值。

就減值測試而言，商譽會分配至現金產生單位。預期會從產生商譽之業務合併中獲益之現金產生單位或現金產生單位組別會獲分配商譽。

(h) 附屬公司、共同控制實體及非金融資產的減值

沒有確定使用年期之資產無需攤銷，但最少每年就減值進行測試，及當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量（現金產生單位）的最低層次組合。除商譽外，已蒙受減值的資產在每個報告日期均就減值是否可以撥回進行檢討。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Property, plant and equipment (continued)**

Construction-in-progress represents factory premises under construction and moulds and toolings under development and is stated at cost less accumulated impairment losses, if any. Cost includes construction expenditure incurred and interest and other direct costs attributable to the construction. Construction-in-progress is not depreciated, and will be transferred as property, plant and equipment and depreciated in accordance with the policy as stated above when the assets concerned are brought into use.

(g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and contingent liabilities of the acquired subsidiaries at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(h) Impairment of investments in subsidiaries, jointly controlled entity and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 重要會計政策概要 (續)**(i) 金融資產**

本集團按以下類別將其金融資產分類：按公平值計入損益之金融資產、貸款及應收款項及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於初步確認金融資產時將其分類。

(a) 按公平值計入損益之金融資產

按公平值計入損益之金融資產為持作買賣之金融資產。倘收購一項金融資產之主要目的為在短期內出售，則該項資產會分類作此類別。衍生工具除非被指定作對沖，否則均歸入持作買賣之類別。此分類之資產如持有作貿易用途或預期於12個月內結算，分類為流動資產。

(b) 貸款及應收款項

貸款及應收款項為有固定式可釐定付款且沒有在活躍市場上報價。包括在流動資產內但若到期日由結算日起計過12個月者，則分類為非流動資產。貸款及應收款項於資產負債表中列賬為「應收貿易賬款及其他應收款項」。

(c) 可供出售金融資產

可供出售金融資產乃指定為此類別或不屬於其他任何類別之非衍生金融工具。除非管理層有意在結算日後十二個月內將資產出售，否則資產應列為非流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Financial assets**

The Group classifies its financial assets into financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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

This category consists of financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 重要會計政策概要 (續)**(i) 財務資產 (續)**

經常性投資買賣在交易日(即本集團承諾購買及出售之日期)確認。所有並非按公平值計入損益賬之金融資產之投資初步以公平值加交易成本入賬。按公平值計入損益列賬之金融資產初步以公平值確認，交易成本屬於損益賬支銷。若從投資收取現金流量之權利已過期或已轉移及本集團已將所有權之重要風險及回報轉移，金融資產將不予確認。可供出售金融資產及按公平值計入損益之金融資產其後以公平值列賬。

因「按公平值計入損益之金融資產」類別內公平值變動產生之盈虧，及來自於損益之金融資產之股息收入，於產生期間在損益賬內確認。

歸類為可供出售金融資產之貨幣性證券(以外幣計)，其公平值變動可分為由已攤銷成本變動所引致之滙兌差異，及其他賬面值變動。貨幣性證券之滙兌差異於損益表入賬，而非貨幣性證券之滙兌差異則在權益內反映。歸類為可供出售金融資產之貨幣性及非貨幣性證券之公平值之變動在權益內反映。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入損益表內作為投資證券的盈虧。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Financial assets (continued)**

Purchases and sales of financial assets are recognised on trade-date, that is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

2. 重要會計政策概要 (續)**(i) 財務資產 (續)**

可供出售金融資產之利息收入已列入損益表其他收入之內。若本集團收取股息之權利已確定，可供出售股權工具之股息可在損益賬確認。

上市投資之公平值乃按其現行買價而釐定。如金融資產在市場上並不活躍（及對非上市證券而言），本集團採用評估方法確定公平值。這包括最近期之經公平磋商後釐定之交易、對其他相類工具之參考、貼現現金流量分析及期權定價模式，盡量採用市面上之資料，及盡量減少使用個別企業因素。

本集團於每個結算日評估某單一金融資產或金融資產組合在減值時有否客觀之證明。若權益證券歸類為可供出售金融資產，證券公平值嚴重或長期低於其成本時，便是一種減值跡象。如可供出售金融資產存在任何此等證明，則累計虧損（以購入成本及現在之公平值之差異，扣減該金融資產先前已在損益賬確認之任何減值虧損）須自權益內移除，及在損益賬入賬。股權工具之減值虧損，在損益賬反映後，則不能在損益賬沖回。

(j) 衍生金融工具之會計處理

衍生工具初步按於衍生工具合約訂立日期之公平值確認，其後按公平值重新計量。確認所產生之收益或虧損的方法取決於該衍生工具是否指定作對沖工具，如指定為對沖工具，則取決於其所對沖項目之性質。由於集團的衍生金融工具並不符合資格作對沖會計處理，衍生工具之公平值變動須立即於損益賬入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Financial assets (continued)**

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative financial instruments entered into by the Group do not qualify for hedge accounting, changes in the fair value of any derivative instruments are recognised immediately in the income statement.

2. 重要會計政策概要 (續)**(k) 存貨**

存貨按成本及可變現淨值兩者的較低者列賬。成本乃按加權平均基準之方法計算。製成品及在製品的成本包括原材料、直接勞工、其他直接成本和相關的生產經常開支(依據正常營運能力)。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。

(l) 應收賬款及其他應收款項

應收賬款及其他應收款項須初步按公平值確認，其後以有效利率法按攤銷成本減減值撥備(如有)計算。當有客觀證據顯示本集團將不能按應收款項原本期限收回全數款項時，須即就應收賬款及其他應收款項作出撥備。撥備金額為資產賬面值與按有效利率折讓之估計未來現金流量現值之間之差額。撥備金額於收益表內確認。

(m) 現金及現金等值物

現金及現金等值物包括手頭現金、銀行通知存款，原到期日為三個月或以下的其他短期高流動性投資，以及銀行透支。銀行透支在資產負債表的流動負債項中貸款內列示。

(n) 財務負債及權益

集團推行之財務負債及權益工具按照契約安排分類及定義為財務負債及權益工具。財務負債(包括應付營業賬項)乃是以公平值計算及使用有效利息方法。權益工具是任何契約不符合財務負債的定義及有根據顯示對集團扣除所有負債後還有剩餘權益。

普通股分類為權益。發行新股或購股權之應佔成本將收益扣除稅項後直接於權益中扣除。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(k) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivable and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(n) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities (including trade payables) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. An equity instrument is any contract that does not meet the definition of financial liability and evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. 重要會計政策概要 (續)**(n) 財務負債及權益 (續)**

當任何集團公司購入公司之股本，其權益代價支付「包括應付直接成本」，由保留盈利轉到股本贖回儲備。

(o) 借貸

借貸初步以公平值(扣除所產生交易成本)確認。交易成本為有關收購、發行或出售某項金融資產或金融負債之新增直接成本，借貸其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值間之差額，乃以有效利率法於借貸期間在收益表確認。

除非本集團有權無條件將債項延長至結算日後最少十二個月後清償，否則借貸歸類為流動負債。

(p) 借貸成本

為直接用於收購、建設或生產任何合資格資產產生之借貸成本，並預備有關資產作擬定用途或銷售所需長時間內資本化。所有其他借貸成本均於發生年度內在損益表支付。

(q) 遞延所得稅

遞延所得稅乃就資產及負債之稅基與其於財務報表所示賬面值之間暫時差額，以負債法作出全數撥備。然而，倘遞延所得稅乃產生自於交易(業務合併除外)中對資產或負債之初步確認，而交易當時並無影響會計或應課稅溢利或虧損，則不會列賬。遞延所得稅乃以於結算日已頒佈或實際頒佈之稅率及法律釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Financial liabilities and equity (continued)**

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs, is transferred from retained profits to capital redemption reserve.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the income statement in the period in which they are incurred.

(q) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 重要會計政策概要 (續)**(q) 遞延所得稅 (續)**

所確認遞延所得稅資產以預期日後可能出現應課稅溢利用作抵銷暫時差額為限。

除非本集團可控制撥回該暫時差額之時間，及該暫時差額不大可能於可預見將來撥回，本集團就於附屬公司及共同控制實體之投資所產生暫時差額作出遞延所得稅撥備。

(r) 僱員福利**(i) 退休金責任**

本集團設有定額界定供款計劃。本集團按強制、合約或自願基準向受託人管理之退休金供款。本集團於支付供款後，再無其他付款責任。供款於到期時確認為僱用成本。預付供款確認為資產，惟以退回現金或可扣減日後付款金額為限。

供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃的有關僱員所放棄的供款而減少(如適用)。

(ii) 僱員應享假期

僱員應享年假和長期服務休假乃在應計予僱員時確認。本集團就截至結算日止之僱員已提供的服務應得的年假和長期服務休假的估計負債作出撥備。僱員應享病假及分娩假於休假時方予以確認。

(iii) 花紅計劃

當本集團因僱員已提供之服務而產生現有法定或推定責任，而該責任金額可靠估算時，酌情發放之花紅之預計成本將被確立為負債。酌情發放之花紅之負債預期在十二個月內支付，並以預計需付之金額計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Deferred income tax (continued)**

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

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

(r) Employee benefits**(i) Retirement benefits**

The Group participates in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions on a mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employment costs when they are due and, where appropriate, are reduced by contributions forfeited by those relevant employees who leave the scheme prior to vesting fully in the contributions.

(ii) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrued to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iii) Bonus plans

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2. 重要會計政策概要 (續)**(s) 政府撥款**

當有合理保證會收到補助金，而本集團遵照所有附帶之條件，政府補助金會以其公平值確認。如本集團有合理理據相信在遵照政府之條款後可收到政府撥款，此撥款將視為收入記錄在相關財政年度以抵銷有關之賠償費用。與成本有關的政府撥款會被遞延及於損益表中與該筆撥款所要補償之成本同期確認。

(t) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。有關將來營運的損失並不可以確認撥備。

(u) 收入及收益確認

收入包括銷售貨品及服務已收或應收代價之公平值，並扣除增值稅、退貨、回扣及折扣後列示及扣除集團內部交易後。收入確認如下：

(i) 銷售貨品

銷售貨品之收益確認當銷售貨品於集團實體向客戶交付產品、客戶接受產品及能合理保證相關應收款項能收回後確認。

(ii) 利息收入

利息收入以有效利率法按時間比例基準確認。

(iii) 租金收入

營業租約租金收入按租期以直線法確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(u) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities, net of value-added tax, returns, rebates and discounts and after elimination of sales within the Group. Revenue and income is recognised as follows:

(i) Sales of goods

Revenue from the sale of goods is recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectivity of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(iii) Rental income

Rental income under operating leases is recognised on a straight-line basis over the lease periods.

2. 重要會計政策概要 (續)**(v) 租賃****(i) 融資租約**

凡資產擁有權之絕大部分風險及回報轉讓予本集團之租約，均列作融資租約。融資租約在開始時按租賃資產之公平值或最低租金付款之現值（以較低者為準）撥充資本。每期租金均分攤為負債及財務費用，以達到每期尚未償還的融資結餘按等額比率扣除。相應租賃承擔在扣除財務費用後計入流動及非流動借貸內。財務費用之利息部分於租約期內在損益表確認，使財務費用與每個期間之負債餘額之比為常數定期利率。

(ii) 經營租約

凡資產擁有權之絕大部分風險及回報仍歸出租公司所有之租約，均列作經營租約。根據經營租約作出之付款（扣除出租公司給予之任何優惠）在租期內以直線法自綜合損益表中扣除。

(w) 股息分派

向本公司權益持有人分派之股息於本公司股東或董事（如適用）批准股息期間在財務報表確認為負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(v) Leases (as the lessee)****(i) Finance leases**

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities, where appropriate. The finance charges are charged to the income statement over the lease periods.

(ii) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the lease periods.

(w) Dividend distribution

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

2. 重要會計政策概要 (續)

(x) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

3. 財務風險管理

3.1 財務風險因素

本集團經營活動面對各種財務風險，包括外匯風險、價格風險、信貸風險、流動資金風險及現金流量利率風險。

管理層定期管理本集團之財務風險。由於本集團財務結構及現行業務簡單，故管理層並無進行任何重大對沖活動。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

Management regularly monitors the financial risks of the Group. The use of financial derivatives to hedge certain risk exposures is governed by the Group's policies approved by the board of directors of the Company. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management. The Group does not use derivative financial instruments for speculative purposes.

3. 財務風險管理 (續)**3.1 財務風險因素 (續)****(a) 外匯風險**

本集團須面對來自各種貨幣之風險，主要涉及美元，加元，人民幣及日元。本集團有以外幣結算之交易及資產，令本集團承受外幣風險。因此本集團有採用外匯期貨合同以應付外幣風險。

(b) 價格風險

本集團面對股本證券價格風險，乃由於本集團持有以公平值計算之投資於資產負債表分類為可供出售金融資產。本集團並無面臨商品價格風險。

(c) 信貸風險

本集團並無面對信貸風險嚴重集中之情況。本集團訂有政策，確保向具合適信貸記錄之客戶作出銷售。本集團已與財務機構制定政策以減低信貸風險之金額。

(d) 流動資金風險

本集團維持足夠現金及信貸額，足以支付日常營運所需。

(e) 現金流量及公平值利率風險

本集團面對之利率變動風險主要來自銀行存款及借貸。此風險由相對存款應付。

3. FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)****(a) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars, Canadian dollars, Chinese Renminbi and Japanese Yen. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group uses certain foreign exchange contracts to manage foreign exchange risks.

(b) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet as available-for-sale financial assets and carry at fair value. The Group is not exposed to commodity price risk.

(c) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any financial institution.

(d) Liquidity risk

The Group maintains sufficient cash and credit lines to meet its liquidity requirements.

(e) Cash flow and fair value interest-rate risk

The Group's interest rate risk mainly arises from bank balances and bank borrowings. This risk is managed through the maintenance of a proper portfolio of deposits and debts.

3. 財務風險管理 (續)

3.2 公平值估計

在活躍市場買賣的金融工具(例如買賣證券和可供出售證券)之公平值根據結算日的市場報價列賬。本集團持有的財務資產的市場報價為當時買盤價。沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公平值利用估值技術釐定。遠期外匯合約的公平值利用結算日遠期市場匯率釐定。

貿易應收款和應付款的賬面值減估計信貸調整, 被假定接近其公平值。作為披露目的, 財務負債公平值的估計按未來合約現金流量以本集團類似金融工具可得的現有市場利率貼現計算。

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

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

4. 重要會計估計及判斷

本集團將依據過往經驗及其他因素包括按現況對日後事件的合理預測，不斷為估計及判斷作出評估。

本集團對未來作出估計及假設所得之會計估計顧名思義甚少相等於相關實際結果。以下所述為有相當風險的估計及假設，可導致須於下個財政年度對資產與負債之賬面值作重大調整。

(a) 物業、機器及設備的可使用年期及餘值

本集團管理層釐定其物業、機器及設備的估計可使用年期、餘值及有關折舊費用。是項估計乃以具相似性質或功能的物業、機器及設備的過往實際可使用年限為基準。管理層將於可使用年期少於以往估計可使用年期時增加折舊費用，亦會將技術上已無使用價值或非策略性資產，並已經廢置或出售進行撇帳或減值。實際經濟年期可能與估計可用年期有別，實際餘值亦可能與估計餘值不同。本集團定期檢討折舊年期及餘值，故兩者可能出現變動，可能影響日後期間之折舊費用。

(b) 物業、機器及設備及土地及土地使用權之估計減值

物業、機器及設備、租賃土地與土地使用權乃於有事件或情況變動顯示其賬面值可能不能收回時作減值檢討。可收回金額乃按其使用價值釐訂並考慮最近期市場資料及過往經驗。此等計算及估值須運用判斷及推算。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

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

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

(a) Useful lives, residual values and depreciation of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

(b) Impairment of property, plant and equipment and leasehold land and land use rights

Property, plant and equipment and leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair values less cost to sell. These calculations require the use of judgements and estimates.

4. 重要會計估計及判斷 (續)

(b) 物業、機器及設備及土地及土地使用權之估計減值 (續)

本集團於資產減值方面須作出判斷，特別是評估(i)有否出現可能資產價值收不回事件之跡象；(ii)資產賬面值是否獲得可收回金額支持，公平值減可賣成本或日後現金流量現值淨額以較高者決定，而日後現金流量按持續使用資產評估；及(iii)編製現金流量預測所用合適主要假設包括現金流量預測是否以合適比率折算。變更管理層所選假設以評估減值包括現金流量預測所用折算率或增長率，對減值檢測所用現值淨額或有重大影響及結果影響集團財務狀況及營運成績。如預測表現及現金流量預測有重大逆轉改變，該減值需於損益表列賬。

(c) 商譽減值

本集團每年作出測試決定商譽是否需要減值。就減值測試而言，現金產生單位之可收回金額根據使用價值計算釐定。計算方式主要利用現金流量預測，依據管理層批核之五年期財政預算及於有關五年期間結束時之估計終值。現金流量預測包含幾個假設及估計審批預算用於編製現金流量預測及估計終值之主要假設包括預期收益增幅、毛利率、將來資本支出時間、增長率及業內可供比較實體之選定貼現率以反映相關風險。管理層編製財政預算，以反映實際表現及過往年度表現及對市場發展之期望。判斷視乎採納現金流量預測的主要假設。主要假設的改變對現金流量預測可造成的重大影響，從而影響評估減值結果。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (continued)

(b) Impairment of property, plant and equipment and leasehold land and land use rights (continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) 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 in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

(c) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. For the purposes of impairment reviews, the recoverable amount of goodwill is determined based on value-in-use calculations. The value-in-use calculations primarily use cash flow projections based on five-year financial budgets approved by management and estimated terminal value at the end of the five-year period. There are a number of assumptions and estimates involved in the preparation of cash flow projections for the period covered by the approved budgets. Key assumptions include the expected growth in revenues and gross margin, timing of future capital expenditures, growth rates and selection of discount rates to reflect the risks involved. Management prepares the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

4. 重要會計估計及判斷 (續)**(d) 撇減存貨至可變現淨值**

存貨可變現淨值指日常業務估計售價扣除估計銷售開支。有關估計根據現行市況及過往出售類似產品之經驗而作出。相關估計可能因客戶口味及競爭對手對抗行業激烈競爭所採取措施而出現重大變動。管理層於各結算日重新評估此等估計。

(e) 應收賬項減值之估計

本集團按照對應收賬項可收回程度之評估就應收賬項作出減值撥備。此評估是基於其客戶及其他欠債人的信貸歷史，及當時市場狀況，同時需要加上判斷及估計。管理層在每年年結時進行重估。

(f) 所得稅及遞延稅項

本集團須繳納多個不同司法權區之所得稅。釐定所得稅撥備時需要作出重大判斷。很多交易及計算其最終稅項結果不能準確確定。本集團就預期稅務審計事宜(基於是否需要額外稅項之估計)確認負債。倘若該等最終稅項結果與最初記錄之金額有差異時，則有關差異將會於作出最終確定之期間內影響所得稅及遞延稅項撥備。

與若干暫時差異及稅項虧損有關之遞延稅項資產按管理層認為未來有可能出現應課稅溢利可用作抵銷該等暫時差異或稅項虧損而確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內影響遞延稅項資產之確認及所得稅費用。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (continued)**(d) Net realisable value of inventories**

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

(e) Trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition, and requires the use of judgements and estimates. Management reassesses the provision at each balance sheet date.

(f) Income taxes and deferred tax

The Group is subject to income taxes in various jurisdictions. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

5. 營業額及分部資料

5. TURNOVER AND SEGMENT INFORMATION

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
營業額	Turnover		
銷售貨品	Sales of goods	<u>1,737,449</u>	<u>1,540,139</u>

5. 營業額及分部資料 (續)

5. TURNOVER AND SEGMENT INFORMATION

(continued)

(a) 主要報告形式 – 業務分部資料：

於二零零七年三月三十一日，集團由三個主要分部組成：(i) 電子元器件製造及經銷(電子元器件)；(ii) 合約電子專業生產服務及電子消費產品業務；(iii) 個人電腦及數碼產品製造及經銷(個人電腦及數碼產品)。

(a) Primary reporting format – business segments:

At 31 March 2007, the Group is organised into three main business segments: (i) Manufacturing and distribution of electronic components (“Electronic Components”); (ii) Contract electronic manufacturing service and consumer electronics (“EMS and Consumer Electronics”); and (iii) Manufacturing and distribution of personal computers and digital products (“PC and Digital Products”).

		電子元器件 Electronic Components		合約電子專業 生產服務及 電子消費產品業務 EMS and Consumer Electronics		個人電腦 及數碼產品 PC and Digital Products		抵銷項 Eliminations		集團 Group	
		二零零七 2007	二零零六 2006	二零零七 2007	二零零六 2006	二零零七 2007	二零零六 2006	二零零七 2007	二零零六 2006	二零零七 2007	二零零六 2006
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
營業額	Turnover										
業外業績	External sales	661,475	588,641	675,017	575,181	400,957	376,317				
分部間銷售	Inter-segment sales	2,852	5,633	—	76	—	—	(2,852)	(5,709)		
		664,327	594,274	675,017	575,257	400,957	376,317	(2,852)	(5,709)	1,737,449	1,540,139
分部業績	Segment results	18,644	16,136	11,467	13,397	5,940	5,412			36,051	34,945
未分配收入	Unallocated income									1,813	1,198
未分配開支	Unallocated expenses									(14,223)	(14,899)
融資成本	Finance costs									(8,313)	(3,769)
應佔共同控制 實體虧損	Share of loss of a jointly controlled entity									—	(1,638)
利得稅開支	Income tax expense									(6,011)	(3,570)
本年溢利	Profit for the year									9,317	12,267

集團內公司間之銷售按協商價格記賬，並於綜合報表內抵銷。

Inter-segment sales are accounted for at mutually agreed prices and eliminated on consolidation.

5. 營業額及分部資料 (續)

5. TURNOVER AND SEGMENT INFORMATION
(continued)

(a) 主要報告形式 – 業務分部資料：(續)

(a) Primary reporting format – business segments: (continued)

		合約電子專業 生產服務及 電子消費產品業務							
		電子元器件		EMS and Consumer Electronics		個人電腦及數碼產品		集團	
		Electronic Components		Electronics		PC and Digital Products		Group	
		二零零七	二零零六	二零零七	二零零六	二零零七	二零零六	二零零七	二零零六
		2007	2006	2007	2006	2007	2006	2007	2006
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產	Assets								
分部資產	Segment assets	305,772	253,899	344,857	321,690	96,869	82,853	747,498	658,442
未分配資產	Unallocated assets							26,015	26,808
總資產	Total assets							<u>773,513</u>	<u>685,250</u>
負債	Liabilities								
分部負債	Segment liabilities	75,337	68,306	87,544	129,522	38,129	27,080	201,010	224,908
未分配負債	Unallocated liabilities							201,067	100,925
總負債	Total liabilities							<u>402,077</u>	<u>325,833</u>
其他資料	Other information								
資本性開支	Capital expenditure	6,452	3,056	42,305	28,757	85	500	48,842	32,313
折舊及攤銷	Depreciation and amortisation	4,944	5,564	10,674	8,420	279	561	15,897	14,545
商譽耗蝕	Impairment of goodwill	—	—	156	—	—	—	156	—
庫存減值	Write-down of inventories	3,959	3,234	—	—	—	—	3,959	3,234
應收營業賬項 耗蝕	Impairment of trade receivables	1,107	492	—	—	162	459	1,269	951

分部資產主要包括本集團之商譽、物業、廠房及設備、土地及土地使用權、存貨、應收賬及營運現金及撇除投資及某些公司資產。

分部負債主要包括本集團之全部營運負債及撇除稅項、公司應付費用及借貸等負債。

資本性開支包括商譽、物業、機器及設備及土地及土地使用權，亦包括透過進行收購附屬公司而產生之增加。

Segment assets consist primarily of goodwill, property, plant and equipment, leasehold land and land use rights, inventories, receivables and operating cash, and mainly exclude investments and certain corporate assets.

Segment liabilities comprise operating liabilities and exclude items such as taxation, corporate accruals and corporate borrowings.

Capital expenditure comprises additions to goodwill, property, plant and equipment, and leasehold land and land use rights, including additions resulting from acquisitions through purchases of subsidiaries.

5. 營業額及分部資料 (續)

(b) 次要分部報告 – 地區分部資料：

本集團三個主要分部業務位於四個主要地區。以下報表反映各地區的營業額、資本性開支及總資產。

	營業額		資本性開支		總資產		
	Turnover		Capital expenditure		Total assets		
	二零零七	二零零六	二零零七	二零零六	二零零七	二零零六	
	千港元	千港元	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
香港及中國大陸	Hong Kong and Mainland China	550,846	570,209	38,677	31,817	645,805	604,482
北美洲	North America	649,542	616,769	81	496	69,870	80,768
歐洲	Europe	262,445	177,563	—	—	—	—
日本	Japan	230,459	155,665	10,084	—	57,838	—
其他亞洲國家	Other Asian countries	44,157	19,933	—	—	—	—
		<u>1,737,449</u>	<u>1,540,139</u>	<u>48,842</u>	<u>32,313</u>	<u>773,513</u>	<u>685,250</u>

營業額按客戶地點來劃分。

Turnover is allocated based on the location of customers.

資本性開支及總資產按資產位置來劃分。

Capital expenditures and total assets are allocated based on the location of those assets.

6. 其他收益

6. OTHER INCOME

		二零零七	二零零六
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
利息收入	Interest income	1,233	663
政府撥款	Government grants	294	284
租金收入	Rental income	587	535
		<u>2,114</u>	<u>1,482</u>

7. 按性質劃分之開支

7. EXPENSES BY NATURE

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
商品存貨、製成品及 在製品存貨轉變	Changes in inventories of trading merchandise, finished goods and work-in-progress	(44,842)	(12,287)
商品存貨、原料及消耗使用	Trading merchandise, raw materials and consumables used	1,470,057	1,299,303
核數師酬金	Auditors' remuneration	1,855	1,638
土地及土地使用權攤銷	Amortisation of leasehold land and land use rights	652	455
折舊	Depreciation		
— 自置物業、機器及設備	— owned property, plant and equipment	13,804	13,472
— 按融資租約持有之 物業、機器及設備	— property, plant and equipment held under finance leases	1,441	618
員工福利開支(包括董事酬金)	Employment benefit expenses (including directors' emoluments)	148,828	110,867
商譽耗蝕虧損(於一般及 行政開支內)	Impairment loss of goodwill (included in general and administrative expenses)	156	—
應收營業賬項耗蝕	Impairment of trade receivables	1,269	951
其他資產耗蝕虧損	Impairment loss of other assets	—	340
存貨減值	Write-down of inventories	3,959	3,234
物業、機器及設備及土地 及土地使用權變賣虧損	Loss on disposal of property, plant and equipment, and leasehold land and land use rights	326	318
土地及物業營運租約租金	Operating lease rental in respect of land and buildings	6,386	7,072
衍生金融工具公平值 (盈餘)/虧損	Fair value (gain)/loss on derivative financial instruments	(1,085)	1,349
滙兌損失/(盈餘)淨值	Net exchange losses/(gains)	553	(509)
維修及保養開支	Repair and maintenance expenses	3,787	4,699
運輸開支	Transportation expenses	10,002	7,739
車費及辦公室開支	Travelling and office expenses	23,432	19,967
廣告開支	Advertising costs	985	460
其他開支	Other expenses	74,357	60,691
銷售成本、銷售及經銷開支 及一般及行政開支總額	Total cost of sales, selling and distribution expenses and general and administrative expenses	1,715,922	1,520,377

8. 員工福利開支

包括董事酬金之員工福利開支：

薪酬、工資及津貼	Wages, salaries and allowances
年終花紅	Bonuses
退休成本－ 界定供款計劃	Pension costs – defined contribution plans
福利	Welfare and benefits

8. EMPLOYMENT BENEFIT EXPENSES

Employment benefit expenses, including directors' emoluments, consisted of:

	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
	127,644	90,723
	4,635	5,229
	1,358	1,377
	15,191	13,538
	148,828	110,867

9. 融資成本

銀行融資利息， 於五年內全部付清
融資租賃之利息部份

9. FINANCE COSTS

Interest expense on bank loans wholly repayable within five years
Interest element of finance leases

	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
	8,165	3,451
	148	318
	8,313	3,769

10. 利得稅

本公司已獲豁免百慕達稅項。香港利得稅乃根據在香港註冊成立的附屬公司在香港產生或源自香港之估計應課稅溢利按17.5% (二零零六年：17.5%) 之稅率提撥準備。中國成立及營運之公司根據中國企業所得稅，稅率是33% (二零零六年：33%)。而於加拿大成立及營運之公司乃根據加拿大所得稅，稅率是36% (二零零六年：36%)。於日本成立及營運之公司乃根據日本企業所得稅，稅率是30%。

10. INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda. Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operate in Mainland China are subject to Mainland China enterprise income tax at the rate of 33% (2006: 33%). Companies established and operate in Canada are subject to Canadian income tax at the rate of 35% (2006: 36%). Companies established and operate in Japan are subject to Japanese income tax at the rate of 30%.

10. 利得稅 (續)

10. INCOME TAX EXPENSE (continued)

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
當期稅項：	Current taxation:		
— 香港利得稅	— Hong Kong profits tax	2,015	780
— 中國企業所得稅	— Mainland China enterprise income tax	2,252	1,406
— 加拿大所得稅	— Canadian income tax	901	994
遞延稅項暫時差異的 產生及轉回 (附註30)	Deferred taxation relating to the origination and reversal of temporary differences (Note 30)	843	390
		<u>6,011</u>	<u>3,570</u>

本集團就除稅前溢利之利得稅，與採用本集團綜合公司溢利適用的加權平均稅率而應產生之理論稅額之差額如下：

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
除稅前溢利	Profit before income tax	<u>15,328</u>	<u>15,837</u>
稅項乃按相關地方／國家 當地應用之加權平均 稅率計算	Tax calculated at the weighted average domestic tax rates applicable to profits in the respective places/countries	541	2,427
無須課稅之收入之影響	Tax effect of income not subject to tax	(2,045)	(1,599)
不可扣稅之支出 之影響	Tax effect of expenses not deductible for tax	5,211	671
未確認之遞延稅資產	Deferred tax assets not recognised	2,548	2,194
其他	Others	(244)	(123)
稅項支出	Taxation charge	<u>6,011</u>	<u>3,570</u>

於二零零七年三月三十一日，適用的加權平均稅率為3.5% (二零零六年：15.3%)。適用的加權平均稅率下跌是因為本集團附屬公司在有關國家的盈利能力改變。

For the year ended 31 March 2007, the weighted average applicable tax rate was 3.5% (2006: 15.3%). The decrease in weighted average applicable tax rate arose mainly because of the change in the relative profitability of the companies within the Group.

11. 董事及高級行政人員酬金

(a) 董事酬金

於二零零七年三月三十一日本集團各董事之酬金如下：

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金及津貼 Salaries and allowances 千港元 HK\$'000	酬情花紅 Discretionary bonuses 千港元 HK\$'000	退休金供款 Contribution to retirement benefit scheme 千港元 HK\$'000	總額 Total 千港元 HK\$'000
執行董事 Executive directors						
劉得還先生	Mr LAU Tak Wan	—	3,510	443	162	4,115
陳婉薇女士	Ms CHAN Yuen Mei, Pinky	—	1,201	253	56	1,510
尹楚輝先生	Mr WAN Chor Fai	—	1,300	300	50	1,650
麥漢佳先生	Mr MAK Hon Kai, Stanly	—	1,300	500	60	1,860
獨立非執行董事 Independent non-executive directors						
畢滌凡先生	Mr Barry John BUTTIFANT	100	—	—	—	100
廖毅榮先生	Mr LIU Ngai Wing	75	—	—	—	75
蔡毓藩先生	Mr CHOI Yuk Fan	50	—	—	—	50
		225	7,311	1,496	328	9,360

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of each of the directors of the Company for the year ended 31 March 2007 is set out below:

Director's Name	Name of Director	Fees 千港元 HK\$'000	Salaries and allowances 千港元 HK\$'000	Discretionary bonuses 千港元 HK\$'000	Contribution to retirement benefit scheme 千港元 HK\$'000	Total 千港元 HK\$'000
Executive directors						
Mr LAU Tak Wan	Mr LAU Tak Wan	—	3,510	443	162	4,115
Ms CHAN Yuen Mei, Pinky	Ms CHAN Yuen Mei, Pinky	—	1,201	253	56	1,510
Mr WAN Chor Fai	Mr WAN Chor Fai	—	1,300	300	50	1,650
Mr MAK Hon Kai, Stanly	Mr MAK Hon Kai, Stanly	—	1,300	500	60	1,860
Independent non-executive directors						
Mr Barry John BUTTIFANT	Mr Barry John BUTTIFANT	100	—	—	—	100
Mr LIU Ngai Wing	Mr LIU Ngai Wing	75	—	—	—	75
Mr CHOI Yuk Fan	Mr CHOI Yuk Fan	50	—	—	—	50
		225	7,311	1,496	328	9,360

11. 董事及高級行政人員酬金 (續)

(a) 董事酬金 (續)

於二零零六年三月三十一日本集團各董事之酬金如下：

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金及津貼 Salaries and allowances 千港元 HK\$'000	酬情花紅 Discretionary bonuses 千港元 HK\$'000	退休金供款 Contribution to retirement benefit scheme 千港元 HK\$'000	總額 Total 千港元 HK\$'000
執行董事	Executive directors					
劉得還先生	Mr LAU Tak Wan	—	3,510	714	162	4,386
陳婉薇女士	Ms CHAN Yuen Mei, Pinky	—	1,201	408	56	1,665
尹楚輝先生	Mr WAN Chor Fai	—	1,300	408	50	1,758
麥漢佳先生	Mr MAK Hon Kai, Stanly	—	1,300	500	60	1,860
獨立非執行董事	Independent non-executive directors					
畢滌凡先生	Mr Barry John BUTTIFANT	100	—	—	—	100
廖毅榮先生	Mr LIU Ngai Wing	50	—	—	—	50
蔡毓藩先生	Mr CHOI Yuk Fan	50	—	—	—	50
		200	7,311	2,030	328	9,869

各董事於本年度概無放棄其任何酬金 (二零零六年：零)。於本年度概無支付予各董事任何加盟酬金或失去董事職位之補償 (二零零六年：零)。董事概無授予或行使任何購股權 (二零零六年：零)。

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The remuneration of each of the directors of the Company for the year ended 31 March 2006 is set out below:

Director's Name	Name of Director	Fees 千港元 HK\$'000	Salaries and allowances 千港元 HK\$'000	Discretionary bonuses 千港元 HK\$'000	Contribution to retirement benefit scheme 千港元 HK\$'000	Total 千港元 HK\$'000
Executive directors						
Mr LAU Tak Wan		—	3,510	714	162	4,386
Ms CHAN Yuen Mei, Pinky		—	1,201	408	56	1,665
Mr WAN Chor Fai		—	1,300	408	50	1,758
Mr MAK Hon Kai, Stanly		—	1,300	500	60	1,860
Independent non-executive directors						
Mr Barry John BUTTIFANT		100	—	—	—	100
Mr LIU Ngai Wing		50	—	—	—	50
Mr CHOI Yuk Fan		50	—	—	—	50
		200	7,311	2,030	328	9,869

No director waived any emoluments during the year (2006: Nil). No emolument was paid to any directors as inducement to join or as compensation for loss of office during the year (2006: Nil). No director has been granted or exercised any share option during the year (2006: Nil).

11. 董事及高級行政人員酬金 (續)

(b) 五位最高薪人士

本年度集團內五名最高薪酬人士包括四名(二零零六年：四名)董事，其酬金已載於上文分析。其餘一名(二零零六年：一名)最高薪人士之酬金分析如下：

基本薪金及其他津貼	Basic salaries and allowances
酌情花紅	Discretionary bonus
退休金供款	Pension scheme contribution

酬金之組別如下：

零 — 1,000,000港元 Nil — HK\$1,000,000

於本年度內，五名最高薪人士(包括董事及其他員工)，並無獲付任何酬金作為加盟酬金或失去職位的補償(二零零六年：零)。

12. 公積金計劃

香港

本集團實行兩項公積金界定供款計劃：職業退休計劃及強積金計劃予香港僱員。職業退休計劃及強積金計劃之資產與集團之資產分開持有，由獨立管理基金保管。

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2006: four) directors whose emoluments are reflected in the analysis presented above. The emoluments paid and payable to the remaining one (2006: one) individual are as follows:

	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
	520	519
	90	67
	24	24
	<u>634</u>	<u>610</u>

The emoluments fell within the following band:

	人數 Number of individual	
	二零零七 2007	二零零六 2006
	<u>1</u>	<u>1</u>

During the year, no emolument was paid to the five highest paid individuals (including directors and other employees) as inducement to join or as compensation for loss of office (2006: nil).

12. PENSION SCHEMES

Hong Kong

The Group has two defined contribution pension schemes, the ORSO Scheme and the MPF Scheme, for its employees in Hong Kong. The assets of the ORSO Scheme and the MPF Scheme are held separately from those of the Group under independently administered funds.

12. 公積金計劃 (續)**香港 (續)**

在職業退休計劃下，本集團及各僱員分別按僱員薪金約百分之五及百分之五每月供款。僱員因終止合約而未能領取僱主之供款，本集團則利用此筆款項減低將來之供款水平。截至二零零七年三月三十一日止年度，在該計劃下，本集團以上述方式減低之供款約為58,000港元（二零零六年：零港元）。於二零零七年三月三十一日，在該計劃下，該筆未能領取之款項可用作減少來年本集團供款水平之款項約為9,000港元（二零零六年：57,000港元）。

在強積金計劃下，本集團及各僱員分別按僱員有關入息（按照強制性公積金計劃條例之定義）百分之五供款。本集團及僱員雙方之供款均為每月最高1,000港元。當強積金供款一經付予強積金計劃的認可信託人，有關供款即時悉數歸屬僱員。

中國

按照中國法例規定，集團為中國大陸僱員向國家資助退休計劃供款。在該計劃下，集團之僱員按其僱員每月有關入息（包括薪金、津貼及花紅）約5%供款，而集團按僱員每月有關入息約供款8-10%。除以上供款外，集團沒有額外支付實際退休金之責任及承擔。此國家資助退休計劃負責對退休僱員提供全部退休金。

加拿大

本集團需要為加拿大僱員按其所享之薪金，除了若干獲豁免的僱傭及福利外，向加拿大國家退休金計劃(CPP)每月供款。供款額按僱員月薪之4.95%（二零零六年：4.95%）提取，但年度最高應納退休金收入為不多於294,000港元（相等於43,700加元）。（二零零六年：258,000港元（相等於38,600加元））。

日本

本集團需要為日本僱員就僱員退休福利向相關政府機構作出每月供款。相關機構釐訂之每月供款由5,000日圓至30,000日圓（相等於330港元至2,000港元）及僱主可根據各僱員之服務年期及其他條件隨意決定每月供款金額。相關機構負責整個退休付款任務予退休僱員及集團並無責任發放退休供款。

12. PENSION SCHEMES (continued)**Hong Kong (continued)**

Under the ORSO Scheme, the Group and its employee make monthly contribution to the scheme of approximately 5% and 5% respectively, of the employees' salary. The unvested benefits of employees who have terminated employment are utilised by the Group to reduce its future contributions. The unvested benefit so utilised under the scheme during the year ended 31 March 2007 amounted to approximately HK\$58,000 (2006: HK\$Nil), and the amount of unvested benefits as at 31 March 2007 that are available to reduce the Group's future contributions was approximately HK\$9,000 (2006: HK\$57,000).

Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5% of the employee's relevant income, as defined in the Mandatory Provident Fund Scheme Ordinance. Both the Group's and the employee's contributions are subjected to a cap of HK\$1,000 per month. The contributions are fully and immediately vested in the employees.

Mainland China

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group's relevant employees make monthly contributions to the plans at approximately 5% of the relevant income (comprising salaries, allowances and bonus), while the Group makes monthly contribution at approximately 8 to 10% of such relevant income and has no further obligations for the actual payment of pensions beyond its contribution. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

Canada

The Group is required to make monthly contributions to the National Canada Pension Plan ("CPP") in respect of its employees in Canada based on the relevant employees' salaries, with the exceptions of certain excluded employment and benefits, at a rate of 4.95% (2006: 4.95%) of the employees' salaries subject to a maximum annual pensionable earnings of HK\$294,000 (equivalent to CAN\$43,700) (2006: HK\$258,000 (equivalent to CAN\$38,600)).

Japan

The Group is required to make monthly contribution to the relevant government organisations for workers' retirement benefits in respect of its employees in Japan. The monthly contribution is predetermined by the relevant organisations in the range of Japanese Yen 5,000 to 30,000 (equivalent to HK\$330 to HK\$2,000) and the employer discretionarily determines the amount of monthly contribution for each employee based on the service years and other conditions. The relevant organisations are responsible for the entire pension obligations payable to retired employees and the Group has no further obligations for the actual payment of pensions beyond its contributions.

13. 公司權益持有人應佔溢利

本公司之權益持有人應佔溢利，按本公司財務報表盈利約為20,269,000港元（二零零六年：盈利為233,000港元）。

14. 股息**13. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$20,269,000 (2006: profit of HK\$233,000).

14. DIVIDENDS

	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
已派發中期股息每股0.010港元 (二零零六年：0.010港元) (附註(i))	Interim of HK\$0.010 (2006: HK\$0.010) per share (note (i)) 2,787	2,727
擬派末期股息每股0.015港元 (二零零六年：0.010港元) (附註(ii))	Final of HK\$0.015 (2006: HK\$0.010) per share (note (ii)) 4,172	2,720
	6,959	5,447

附註：

- (i) 於二零零六年十二月，本公司宣佈中期股息為每股0.01港元。合資格股東可選擇收取股息方式，(i)以現金或(ii)以認股權證按每股0.40港元購買本公司每股面值0.10港元之普通股，按每七股配發一股認股權證。在此情況下，中期股息以(i)現金961,000港元及26,070,000股認股權證支付。
- (ii) 於二零零七年七月二十七日舉行之會議上，董事建議派發末期股息每普通股0.015港元。此項擬派股息並無於本財務報表中列作應付股息，惟將於截至二零零八年三月三十一日止年度列作保留盈餘分派。

Note:

- (i) In December 2006, the Company declared an interim dividend of HK\$0.01 per share. Qualifying shareholders, at their options, could receive the dividend (i) in cash or (ii) in warrants to subscribe for ordinary shares of the Company of HK\$0.1 each at HK\$0.4 per share on the basis of one warrant for every seven shares held. In this connection, the interim dividend was settled by (i) cash of HK\$961,000 and (ii) 26,070,000 warrants.
- (ii) At a meeting held on 27 July 2007, the Company's directors proposed a final dividend of HK\$0.015 per share. This proposed dividend is not reflected as a dividend payable in these financial statements and will be reflected as an appropriation of retained profits during the year ending at 31 March 2008.

15. 每股盈利

(i) 基本

每股基本盈利是根據年度公司股東應佔溢利除以公司發行普通股加權平均數數量。

本公司股東應佔溢利 (千港元)	Profit attributable to equity holders of the Company (HK\$'000)	10,994	12,648
普通股加權平均數發行數量 (千)	Weighted average number of ordinary shares in issue ('000)	274,826	272,299
每股基本盈利 (港仙每股)	Basic earnings per share (HK cents per share)	4.00	4.65

(ii) 攤薄

計算每股攤薄盈利時，已對已發行普通股之加權平均數作出調整，以假設所有其攤薄潛力之未行使認股權證獲悉數轉換。計算乃根據尚未行使認股權證所附之認購權之貨幣值作出，用以釐訂原應以公平值（釐訂為本公司股份之每年平均股價）收購之股份之數目。上文所計算之股份數目乃與假設認股權證獲行使而已發行之股份數目作比較。

本公司股東應佔溢利 (千港元)	Profit attributable to equity holders of the Company (HK\$'000)	10,994	12,648
普通股加權平均數發行數量 (千)	Weighted average number of ordinary shares in issue ('000)	274,826	272,299
認股權證調整 (千)	Adjustments for warrants ('000)	769	863
每股攤薄盈利按加權平均數數量 (千)	Weighted average number of ordinary shares for diluted earnings per share ('000)	275,595	273,162
每股攤薄盈利 (港仙每股)	Diluted earnings per share (HK cents per share)	3.99	4.63

15. EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	二零零七 2007	二零零六 2006
Profit attributable to equity holders of the Company (HK\$'000)	10,994	12,648
Weighted average number of ordinary shares in issue ('000)	274,826	272,299
Basic earnings per share (HK cents per share)	4.00	4.65

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all the Company's outstanding warrants. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	二零零七 2007	二零零六 2006
Profit attributable to equity holders of the Company (HK\$'000)	10,994	12,648
Weighted average number of ordinary shares in issue ('000)	274,826	272,299
Adjustments for warrants ('000)	769	863
Weighted average number of ordinary shares for diluted earnings per share ('000)	275,595	273,162
Diluted earnings per share (HK cents per share)	3.99	4.63

16. 商譽

16. GOODWILL

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
期初賬面淨值	Opening net book amount	24,811	24,811
滙兌差額	Exchange difference	185	—
添置	Additions	239	—
減值	Impairment	(156)	—
期末賬面淨值	Closing net book amount	<u>25,079</u>	<u>24,811</u>

商譽之減值測試

商譽分配乃根據國家／營運地區及業務分部確認之本集團現金產生單位。

商譽分配之分部概要呈列如下：

		二零零七 2007			二零零六 2006		
		電子元器件 Electronic Components 千港元 HK\$'000	個人電腦及 數碼產品 PC and Digital Products 千港元 HK\$'000	總額 Total 千港元 HK\$'000	電子元器件 Electronic Components 千港元 HK\$'000	個人電腦及 數碼產品 PC and Digital Products 千港元 HK\$'000	總額 Total 千港元 HK\$'000
加拿大	Canada	—	24,840	24,840	—	24,655	24,655
香港	Hong Kong	—	—	—	156	—	156
日本	Japan	239	—	239	—	—	—
		<u>239</u>	<u>24,840</u>	<u>25,079</u>	<u>156</u>	<u>24,655</u>	<u>24,811</u>

商譽因收購香港、日本及加拿大之附屬公司而產生，乃根據營運業務之性質，分配至本集團可識別的現金產生單位。現金產生單位的可收回金額根據使用價值計算。計算方式利用現金流量預測，依據管理層批核的五年期財政預算。管理層根據過往表現及其對市場發展的預測釐定預算。所採用的折現率為稅前比率並反映相關分部的特定風險。

價值計算方法之主要假設如下：

		香港運作 Hong Kong operations	加拿大運作 Canada operations	日本運作 Japan operations
毛利率	Gross margin	0%	7.7%	9.3%
增長率	Growth rate	0%	2.5%	5.0%
折現率	Discount rate	0%	7.5%	5.0%

本年度，由於決定停止Daiwa Microtech Limited的營運，因購買該附屬權益產生的156,000港元，將確認為商譽耗蝕損失。

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units identified according to country/place of operation and business segment.

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

Goodwill, which arose from the acquisition of subsidiaries in Hong Kong, Japan and Canada, is allocated to the cash-generating units ("CGUs") identified according to the nature of business. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Management determined financial budgets based on past performance and its expectations for the market development. The pre-tax discount rate used reflects specific risks relating to the relevant segment.

The key assumptions used for value-in-use calculations are as follows:

During the year, impairment losses of HK\$156,000 are recognised in respect of goodwill arising from acquisition of the interests in Daiwa Microtech Limited following a decision to close down the relevant operations.

17. 物業、機器及設備

17. PROPERTY, PLANT AND EQUIPMENT

集團

Group

		租約物業 裝修、傢俬、 裝置及設備 Leasehold 廠房設備 及機器 improvements, furniture, fixtures and equipment 汽車 Motor vehicles 模具及工具 Moulds and tooling 在建工程 Construction- in-progress 總計 Total						
		樓宇 Buildings	Plant and machinery	fixtures and equipment	Motor vehicles	Moulds and tooling	Construction- in-progress	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零五年四月一日	At 1 April 2005							
成本	Cost	61,506	107,867	33,936	5,833	7,289	1,866	218,297
累計折舊及耗蝕	Accumulated depreciation and impairment	(9,042)	(52,942)	(16,210)	(3,261)	(2,489)	—	(83,944)
賬面淨值	Net book amount	<u>52,464</u>	<u>54,925</u>	<u>17,726</u>	<u>2,572</u>	<u>4,800</u>	<u>1,866</u>	<u>134,353</u>
二零零六年三月三十一日	Year ended 31 March 2006							
期末	31 March 2006							
期初賬面淨值	Opening net book amount	52,464	54,925	17,726	2,572	4,800	1,866	134,353
滙兌差額	Exchange differences	33	33	74	6	—	—	146
添置	Additions	—	8,247	2,203	427	2,588	12,144	25,609
在建工程轉撥	Transferred from construction-in- progress	6,148	—	—	—	—	(6,148)	—
出售	Disposals	—	—	(305)	(51)	—	—	(356)
折舊	Depreciation	(1,267)	(8,984)	(2,342)	(485)	(1,012)	—	(14,090)
期末賬面淨值	Closing net book amount	<u>57,378</u>	<u>54,221</u>	<u>17,356</u>	<u>2,469</u>	<u>6,376</u>	<u>7,862</u>	<u>145,662</u>
於二零零六年三月三十一日	At 31 March 2006							
成本	Cost	67,687	116,147	35,644	6,177	9,877	7,862	243,394
累計折舊及耗蝕	Accumulated depreciation and impairment	(10,309)	(61,926)	(18,288)	(3,708)	(3,501)	—	(97,732)
賬面淨值	Net book amount	<u>57,378</u>	<u>54,221</u>	<u>17,356</u>	<u>2,469</u>	<u>6,376</u>	<u>7,862</u>	<u>145,662</u>

17. 物業、機器及設備 (續)

17. PROPERTY, PLANT AND EQUIPMENT (continued)

		租約物業 裝修、傢俬、 裝置及設備 Leasehold 廠房設備 improvements, 及機器 furniture, fixtures and equipment					汽車 Motor vehicles	模具及工具 Moulds and tooling	在建工程 Construction- in-progress	總計 Total
		樓宇 Buildings	Plant and machinery	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零六年四月一日	At 1 April 2006									
成本	Cost	67,687	116,147	35,644	6,177	9,877	7,862	243,394		
累計折舊及耗蝕	Accumulated depreciation and impairment	(10,309)	(61,926)	(18,288)	(3,708)	(3,501)	—	(97,732)		
賬面淨值	Net book amount	<u>57,378</u>	<u>54,221</u>	<u>17,356</u>	<u>2,469</u>	<u>6,376</u>	<u>7,862</u>	<u>145,662</u>		
二零零七年三月三十一日	Year ended 31 March 2007									
期末	31 March 2007									
期初賬面淨值	Opening net book amount	57,378	54,221	17,356	2,469	6,376	7,862	145,662		
滙兌差額	Exchange differences	(20)	(52)	27	2	(30)	—	(73)		
添置	Additions	—	7,597	3,153	187	5,528	22,113	38,578		
收購附屬公司	Acquisition of a subsidiary	748	6,278	637	232	1,950	—	9,845		
在建工程轉撥	Transferred from construction- in-progress	7,328	—	—	—	—	(7,328)	—		
出售	Disposals	(232)	(14)	(88)	(280)	—	—	(614)		
折舊	Depreciation	(1,279)	(8,877)	(2,262)	(430)	(2,397)	—	(15,245)		
期末賬面淨值	Closing net book amount	<u>63,923</u>	<u>59,153</u>	<u>18,823</u>	<u>2,180</u>	<u>11,427</u>	<u>22,647</u>	<u>178,153</u>		
於二零零七年三月三十一日	At 31 March 2007									
成本	Cost	75,457	129,857	39,270	6,216	17,325	22,647	290,772		
累計折舊及耗蝕	Accumulated depreciation and impairment	(11,534)	(70,704)	(20,447)	(4,036)	(5,898)	—	(112,619)		
賬面淨值	Net book amount	<u>63,923</u>	<u>59,153</u>	<u>18,823</u>	<u>2,180</u>	<u>11,427</u>	<u>22,647</u>	<u>178,153</u>		

19. 附屬公司投資

19. INVESTMENTS IN SUBSIDIARIES

		公司 Company	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
非上市股份， 按成本價	Unlisted shares, at cost	44,715	44,715
減：累計耗蝕虧損	Less: Accumulated impairment losses	(10,677)	(10,677)
		34,038	34,038

本公司之主要附屬公司資料如下：

Particulars of significant subsidiaries:

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
直接持有權益 — Interests held directly —						
Daiwa BVI Limited	英屬處女群島 British Virgin Islands	英屬處女群島 British Virgin Islands	10,000美元 US\$10,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
間接持有權益 — Interests held indirectly —						
中聯電子有限公司 Chiasso Inc	英屬處女群島 British Virgin Island	中國 Mainland China	2美元 US\$2	100%	有限責任公司 Limited liability company	加工製造 Sub-contract manufacturing
台和商事有限公司 Daiwa Associate Ltd	英屬處女群島 British Virgin Island	香港 Hong Kong	2美元 US\$2	100%	有限責任公司 Limited liability company	投資控股 Investment holdings

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份 — (續) Shares held indirectly — (continued)						
Elite Century Holdings Ltd	英屬處女群島 British Virgin Islands	香港 Hong Kong	2,500,000美元 US\$2,500,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
恆權集團有限公司 Cosmos Power Holdings Ltd	香港 Hong Kong	香港 Hong Kong	10,000港元 HK\$10,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
新柏電子有限公司 Cypress Distribution Limited	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	製造電子消費產品 Manufacture of consumer electronics
新柏電子工業有限公司 Cypress Electronics Limited	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	製造電子消費產品 Manufacture of consumer electronics
台和商事(中國)有限公司 Daiwa Associate (China) Limited	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	持有物業 Property holdings
台和商事有限公司 Daiwa Associate (H.K.) Limited	香港 Hong Kong	香港 Hong Kong	普通股100港元 Ordinary shares HK\$100 無投票權遞延 股份3,000,000港元 (附註(ii)) Non-voting deferred shares HK\$3,000,000 (Note (ii))	100%	有限責任公司 Limited liability company	管理及行政服務 Management and administrative service
台和電子有限公司 Daiwa Distribution Limited	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	電子元器件經銷 Distribution of electronic components

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份—(續)						
Shares held indirectly — (continued)						
台和電氣有限公司 Daiwa Electronic Ltd.	香港 Hong Kong	香港 Hong Kong	10,000港元 HK\$10,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
台和工業有限公司 Daiwa Industrial Limited	香港 Hong Kong	香港 Hong Kong	5,000港元 HK\$5,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
台和製造有限公司 Daiwa Manufacturing Limited	香港 Hong Kong	香港 Hong Kong	4港元 HK\$4	100%	有限責任公司 Limited liability company	製造電子元器件及合約 電子專業生產服務 Manufacture of electronic components and manufacturing services of electronic products
台和精準工業有限公司 Daiwa Precision Industrial Ltd	香港 Hong Kong	香港 Hong Kong	10,000港元 HK\$10,000	100%	有限責任公司 Limited liability company	物料採購 Procurement of materials
台和資源有限公司 Daiwa Resources Limited	香港 Hong Kong	香港 Hong Kong	5,000港元 HK\$5,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
台和電腦有限公司 Daiwa System Limited	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	電腦元器件貿易 Trading of computer components
台和貿易(廣東)有限公司 Daiwa Trading (Guangdong) Ltd	香港 Hong Kong	香港 Hong Kong	4港元 HK\$4	100%	有限責任公司 Limited liability company	投資控股 Investment holdings

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份— (續) Shares held indirectly — (continued)						
台和遠光塑膠製品有限公司 Daiwa Yuen Kwong Plastic Manufacturing Ltd	香港 Hong Kong	香港 Hong Kong	4,333,333港元 HK\$4,333,333	70%	有限責任公司 Limited liability company	投資控股 Investment holdings
Imtec Components Ltd.	香港 Hong Kong	香港 Hong Kong	10,000港元 HK\$10,000	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
合益電業有限公司 Unity Electrical Industrial Ltd.	香港 Hong Kong	香港 Hong Kong	2,000,000港元 HK\$2,000,000	95%	有限責任公司 Limited liability company	製造及經銷電線產品 Manufacture of electric wire
精準合益(東莞)電線有限公司 Unity Precision Electrical Ltd	香港 Hong Kong	香港 Hong Kong	2港元 HK\$2	100%	有限責任公司 Limited liability company	電纜貿易及製造 Trading & manufacture of electric wire
宏標殷達電子有限公司 Vastpoint Imtec Electronics Ltd.	香港 Hong Kong	香港 Hong Kong	100港元 HK\$100	100%	有限責任公司 Limited liability company	電子元器件經銷 Distribution of electronic components
北京台和宏標電子技術有限公司 Beijing Daiwa Vastpoint Electronics Technology Ltd.	中國 Mainland China	中國 Mainland China	註冊資本500,000人民幣 Registered Capital RMB500,000	100%	海外全資擁有公司 Wholly foreign- owned enterprise	電子元器件經銷 Distribution of electronic components
中信電子(河源)有限公司 China Faith Electronics (Heyuan) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本1,200,000美元 Registered Capital US\$1,200,000	100%	海外全資擁有公司 Wholly foreign- owned enterprise	製造電子消費產品 Manufacturing of consumer electronics
東莞寰宇電子有限公司 Dongguan Cosmos Electronics Ltd.	中國 Mainland China	中國 Mainland China	註冊資本 人民幣2,000,000 Registered Capital RMB2,000,000	100%	海外全資擁有公司 Wholly foreign- owned enterprise	電子專業生產服務 Contract electronic manufacture service

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份—(續)						
Shares held indirectly — (continued)						
台和元器件(上海)有限公司 Daiwa Component (Shanghai) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本200,000美元 Registered Capital US\$2,000,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	電子元器件經銷 Distribution of electronic components
台和元器件(深圳)有限公司 Daiwa Component (Shenzhen) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本2,000,000港元 Registered Capital HK\$2,000,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	電子元器件經銷 Distribution of electronic components
台和電子(河源)有限公司 Daiwa Electronics (Heyuan) Co. Ltd.	中國 Mainland China	中國 Mainland China	註冊資本3,600,000美元 Registered Capital US\$3,600,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	合約電子專業生產服務 及製造電子消費產品 Contract electronic manufacture service and manufacture of consumer electronics
台和遠光實業(河源)有限公司 Daiwa Yuen Kwong Industrial (Heyuan) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本1,820,000美元 Registered Capital US\$1,820,000	70%	中外合資企業 Sino-foreign equity joint venture	製造塑膠部件 Manufacture of plastic parts
台和(肇慶)電子工業有限公司 Daiwa (Zhaoqing) Electronics Industrial Limited	中國 Mainland China	中國 Mainland China	註冊資本 3,384,000美元 Registered capital US\$3,384,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	製造電子元器件 Manufacture of electronic components
東莞偉華半導體有限公司 Dongguan Wafer Semi- Conductor Co., Ltd.	中國 Mainland China	中國 Mainland China	註冊資本 71,712,000港元 Registered capital HK\$71,712,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	製造電子元器件 Manufacture of electronic components
廣州市群立電子有限公司 Guangzhou Qunli Electronics Ltd.	中國 Mainland China	中國 Mainland China	註冊資本1,310,000人民幣 Registered Capital RMB1,310,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	電子元器件貿易 Trading of electronic components

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份— (續)						
Shares held indirectly — (continued)						
合益實業(河源)有限公司 Unity Industrial (Heyuan) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本1,550,000美元 Registered Capital US\$1,550,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	製造電綫產品 Manufacture of electric wire
精準合益(東莞)電綫有限公司 Unity Precision (Dongguan) Electrical Ltd.	中國 Mainland China	中國 Mainland China	註冊資本1,477,000港元 Registered Capital HK\$1,477,000	95%	海外全資擁有公司 Wholly foreign-owned enterprise	製造電綫 Manufacture of electric wire
宏標殷達電子(深圳)有限公司 Vastpoint Imtec Electronics (SZ) Ltd.	中國 Mainland China	中國 Mainland China	註冊資本2,000,000港元 Registered Capital HK\$2,000,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	電子元器件經銷 Distribution of electronic components
雲浮市台和電子有限公司 Yu Fu Daiwa Electronic Ltd.	中國 Mainland China	中國 Mainland China	註冊資本500,000人民幣 Registered Capital RMB500,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	電子元器件經銷 Distribution of electronic components
雲浮市中信電子有限公司 Yun Fu China Faith Limited	中國 Mainland China	中國 Mainland China	註冊資本935,000美元 Registered Capital US\$935,000	100%	海外全資擁有公司 Wholly foreign-owned enterprise	製造及經銷電子元器件 Manufacture and trading of electronic components
Daiwa Distribution (Alberta) Inc.	加拿大亞伯達省 Alberta, Canada	加拿大 Canada	120加元 CAN\$120	100%	有限責任公司 Limited liability company	銷售及分銷電腦 產品及電子產品 Sales and distribution of computer goods and electronic goods
Daiwa Distribution (B.C.) Inc.	加拿大英屬 哥倫比亞 British Columbia, Canada	加拿大 Canada	300,000加元 CAN\$300,000	100%	有限責任公司 Limited liability company	銷售及分銷電腦產品及 電子產品 Sales and distribution of computer goods and electronic goods

19. 附屬公司投資 (續)

19. INVESTMENTS IN SUBSIDIARIES (continued)

公司 Company	註冊成立/ 設立地點 Place of incorporation/ establishment	主要經營 地點 Principal place of operation	已發行及 繳足股本 Issued and fully paid up share capital	所持股權 百分比 Percentage of equity interest held	法定實體類別 Type of legal entity	主要業務 Principal activities
間接持有股份—(續) Shares held indirectly — (continued)						
Daiwa Distribution (Nova Scotia) Inc.	加拿大新斯科 細亞省 Nova Scotia, Canada	加拿大 Canada	100加元 CAN\$100	100%	有限責任公司 Limited liability company	銷售及分銷電腦產品 及電子產品 Sales and distribution of computer goods and electronic goods
Daiwa Distribution (Ontario) Inc.	加拿大安大略省 Ontario, Canada	加拿大 Canada	700,000加元 CAN\$700,000	100%	有限責任公司 Limited liability company	銷售及分銷電腦 產品及電子產品 Sales and distribution of computer goods and electronic goods
Daiwa Holdings Inc.	加拿大安大略省 Ontario, Canada	加拿大 Canada	223,015加元 CAN\$223,015	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
Daiwa Precision Industrial Ltd.	加拿大安大略省 Ontario, Canada	加拿大 Canada	1加元 CAN\$1	100%	有限責任公司 Limited liability company	投資控股 Investment holdings
Daiwa Semitron Supplies (Canada) Inc.	加拿大安大略省 Ontario, Canada	加拿大 Canada	1加元 CAN\$1	100%	有限責任公司 Limited liability company	銷售及分銷電腦 貨品及電子貨品 Sales and distribution of computer goods and electronic goods
Westpac Holdings Inc.	加拿大安大略省 Ontario, Canada	加拿大 Canada	1加元 CAN\$1	100%	有限責任公司 Limited liability company	持有物業 Property holdings
Westpac Technology Inc.	加拿大安大略省 Ontario, Canada	加拿大 Canada	1加元 CAN\$1	100%	有限責任公司 Limited liability company	投資控股 Investment holdings

19. 附屬公司投資 (續)

附註：

- (i) 上表所列本公司之附屬公司，乃本公司董事會及本集團管理層認為與本集團本年度業績有重要貢獻，或持有本集團大部份資產之附屬公司。若盡錄其他附屬公司之資料，董事會認為將過於冗長。
- (ii) 無投票權遞延股份沒有投票權及在清算時未能享有分配，除非普通股股東已獲分配合計100,000,000,000,000港元。
- (iii) 截至二零零七年三月三十一日止年度各附屬公司均無任何已發行之借貸資本。

19. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (i) The above list includes the subsidiaries of the Company which, in the opinion of the Company's directors and the Group's management, principally contributed the results or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would result in particulars of excessive length.
- (ii) The non-voting deferred shares have no voting rights, are not entitled to any distributions upon winding up unless a sum of HK\$100,000,000,000,000 has been distributed to the holders of ordinary shares.
- (iii) None of the subsidiaries had any loan capital in issue at any time during the year ended 31 March 2007.

20. 共同控制實體權益

20. INTEREST IN A JOINTLY CONTROLLED ENTITY

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
期初賬面淨值	Opening net book amount	1	1,639
耗蝕虧損	Impairment loss	—	(1,638)
期末賬面淨值	Closing net book amount	<u>1</u>	<u>1</u>

集團享有以下於中國成立及營運之共同控制實體之權益：

The Group has interests in the following jointly controlled entity which is established and operating in Mainland China:

名稱 Name	企業性質 Nature of entity	主要業務 Principal activities	擁有權 Ownership interest	投票權 Voting power	盈利／虧損分攤 Profit/loss sharing
肇慶台和南方元器件 精密工業有限公司 Daiwa (Southern) Precision Industrial Limited	中外合資企業 Sino-Foreign cooperative joint venture enterprise	製造電子元器件及 從2005年開始不活躍 Manufacturing of electronic components, and became inactive since 2005	60%	60%	60%

21. 可供出售財務資產

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
於四月一日	At 1 April	141	141
收購附屬公司	Acquisition of subsidiaries	3,010	—
新增	Additions	247	—
滙兌差額	Exchange differences	(104)	—
重估盈餘記賬入權益 (附註34)	Revaluation surplus credited to equity (Note 34)	1,046	—
		<u>4,340</u>	<u>141</u>
於三月三十一日	At 31 March	<u>4,340</u>	<u>141</u>

可供出售財務資產包括：

Available-for-sale financial assets include the following:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
上市證券：	Listed securities:		
— 股權證券 — 日本， 以日圓為單位	— Equity securities — Japan, denominated in Japanese Yen	4,126	—
— 股權證券 — 香港， 以港元為單位	— Equity securities — Hong Kong, denominated in Hong Kong dollars	214	141
		<u>4,340</u>	<u>141</u>
上市證券市場價值	Market value of listed securities	<u>4,340</u>	<u>141</u>

22. 存貨

22. INVENTORIES

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
商品存貨	Trading merchandise	119,314	79,907
原料	Raw materials	92,123	82,255
在製品	Work-in-progress	21,749	26,356
製成品	Finished goods	23,567	13,525
		<u>256,753</u>	<u>202,043</u>

庫存成本錄為費用及包括在綜合損益表銷售成本中約1,558,934,000港元(二零零六年: 1,392,286,000港元)。

庫存減值為3,959,000港元(二零零六年: 3,234,000港元)，已包括於綜合損益表銷售成本中。

存貨113,579,000港元(二零零六年: 67,144,000港元)以銀行信託收據貸款安排而取得(附註26)。

The cost of inventories recognised as expenses and included in cost of sales in the consolidated income statement amounted to HK\$1,558,934,000 (2006: HK\$1,392,286,000).

Write-down of inventories amounted to HK\$3,959,000 (2006: HK\$3,234,000), which have been included in cost of sales in the consolidated income statements.

Inventories amounting to HK\$113,579,000 (2006: HK\$67,144,000) were held under the trust receipts bank loan arrangements (Note 26).

23. 應收營業賬項

23. TRADE RECEIVABLES

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
應收營業賬項	Trade receivables	178,780	189,179
減: 應收營業賬項虧損準備	Less: provision for impairment	<u>(1,612)</u>	<u>(902)</u>
		<u>177,168</u>	<u>188,277</u>

23. 應收營業賬項 (續)

應收營業賬項按以下貨幣入賬：

港元	Hong Kong dollars
人民幣	Chinese Renminbi
美元	United States dollars
加拿大元	Canadian dollars
日圓	Japanese Yen

應收營業賬項面值與其公平值相若。

應收營業賬項並無集中的信貸風險，因為本集團有眾多客戶，遍佈不同地點。

本集團之大部份銷售為記賬交易，賬期一般由三十天至九十天。應收營業賬項之賬齡分析如下：

少於六十天	Less than 60 days
六十天至一百一十九天	60 days to 119 days
一百二十天至三百六十五天	120 days to 365 days

截至二零零七年三月三十一日止年度，集團錄得1,269,000港元(二零零六年：951,000港元)應收營業賬項虧損。損失已包括在一般及行政開支中。

23. TRADE RECEIVABLES (continued)

Trade receivables are denominated in the following currencies:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		52,633	50,963
		35,325	34,043
		43,779	81,694
		30,296	22,479
		16,747	—
		178,780	189,179

The carrying values of trade receivables approximate their fair values.

There is no concentration of credit risk with respect to trade receivables as there are a large number of widely dispersed customers.

Majority of the Group's sales are on open account, with credit terms generally ranging from 30 days to 90 days. The ageing analysis of trade receivables was as follows:

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		140,295	127,163
		30,482	47,170
		8,003	14,846
		178,780	189,179

During the year ended 31 March 2007, the Group recognised a loss of HK\$1,269,000 (2006: HK\$951,000) for impairment of its trade receivables. The loss has been included in general and administrative expenses.

24. 預收款項，按金及其他應收款項

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		集團 Group		公司 Company	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
預付款項	Prepayments	6,480	8,113	—	—
租賃按金	Rental deposits	963	547	—	—
其他應收款項	Other receivables	4,013	3,642	192	214
		11,456	12,302	192	214

25. 現金及現金等價物

25. CASH AND CASH EQUIVALENTS

		集團 Group		公司 Company	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
現金及銀行結餘	Cash at bank and on hand	93,432	83,540	52	25

現金及現金等價物按以下貨幣入賬：

Cash and cash equivalents are denominated in the following currencies:

		集團 Group		公司 Company	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
港元	Hong Kong dollars	36,424	23,636	52	25
人民幣	Chinese Renminbi	12,768	12,687	—	—
美元	United States dollars	30,070	35,587	—	—
加拿大元	Canadian dollars	11,831	11,034	—	—
日圓	Japanese Yen	2,251	528	—	—
其他	Others	88	68	—	—
		93,432	83,540	52	25

25. 現金及現金等價物 (續)

銀行存款為浮動利率，根據每日銀行存放利率。集團之銀行結餘中的人民幣全部均在中國存款。在國內的人民幣與外幣兌換及匯款，均按照中國政府的外匯規定。

25. CASH AND CASH EQUIVALENTS (continued)

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group's bank balances denominated in RMB are deposited with banks in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Government of the People's Republic of China.

26. 銀行貸款

26. BORROWINGS

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
非本期	Non-current		
銀行貸款	Bank borrowings	47,911	5,000
融資租賃負債	Finance lease liabilities	2,466	1,196
		50,377	6,196
本期	Current		
銀行貸款	Bank borrowings	24,221	16,667
銀行信託貸款	Trust receipts bank loans	113,579	67,144
融資租賃負債	Finance lease liabilities	2,536	3,242
		140,336	87,053
借貸總額	Total borrowings	190,713	93,249

借貸還款期如下：

The maturity of borrowings is as follows:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
一年內	Within 1 year	140,336	87,053
一年至兩年內	Between 1 and 2 years	23,407	6,196
二年至五年內	Between 2 and 5 years	26,970	—
		190,713	93,249

26. 銀行貸款 (續)

借貸由以下貨幣組成：

港元	Hong Kong dollars
日圓	Japanese Yen
美元	United States dollars

26. BORROWINGS (continued)

The carrying amounts of borrowings are denominated in the following currencies:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		182,331	89,125
		8,382	—
		—	4,124
		190,713	93,249

於資產負債表日集團貸款利率及加權平均息率如下：

The exposure of borrowings of the Group to interest rate changes and the weighted average effective interest rates at the balance sheet date are as follows:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
固定息率	— at fixed rates	8,382	—
浮動息率	— at floating rates	182,331	93,249
		190,713	93,249

		二零零七 2007			二零零六 2006		
		港元 HK\$	美元 US\$	日圓 Yen	港元 HK\$	美元 US\$	日圓 Yen
銀行信託貸款	Trust receipt bank loans	5.11%	—	—	4.62%	5.21%	—
銀行貸款	Bank borrowings	4.69%	—	1.15%	4.12%	—	—
融資租賃負債	Finance lease liabilities	4.99%	—	—	4.77%	—	—

貸款為無抵押及賬面值與公平值相近。

All borrowings are unsecured and the carrying amounts approximate their fair values.

26. 銀行貸款 (續)

集團之融資租賃責任之分析如下：

最低租賃還款總額	Total minimum lease payments
— 一年內	— Within one year
— 第二年	— In the second year
— 第三年至第五年	— In the third to fifth year

減：未來融資支出	Less: Future finance charges
----------	------------------------------

融資租賃負債之現值分析如下：

一年內	Within one year
第二年	In the second year
第三年至第五年	In the third to fifth year

26. BORROWINGS (continued)

The Group's finance lease obligations were analysed as follows:

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		2,708	3,394
		1,449	1,211
		1,131	—
		5,288	4,605
		(286)	(167)
		5,002	4,438

The present value of finance lease liabilities is analysed as follows:

		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
		2,536	3,242
		1,358	1,196
		1,108	—
		5,002	4,438

27. 應付營業賬項

大部份供應商之付款期限為記賬交易，賬期一般由三十天至六十天。

應付營業賬項之賬齡分析如下：

少於六十天	Less than 60 days
六十天至一百一十九天	60 days to 119 days
一百二十天至三百六十五天	120 days to 365 days

應付營業賬項按以下貨幣入賬：

港元	Hong Kong dollars
人民幣	Chinese Renminbi
美元	United States dollars
加拿大元	Canadian dollars
日圓	Japanese Yen

27. TRADE PAYABLES

Payment terms with majority suppliers are on open account. Certain suppliers grant credit period ranging from 30 to 60 days.

The ageing analysis of trade payables was as follows:

		集團 Group	
		二零零七 2007	二零零六 2006
		千港元 HK\$'000	千港元 HK\$'000
少於六十天	Less than 60 days	146,646	174,146
六十天至一百一十九天	60 days to 119 days	26,543	19,044
一百二十天至三百六十五天	120 days to 365 days	6,988	10,202
		180,177	203,392

Trade payables are denominated in the following currencies:

		集團 Group	
		二零零七 2007	二零零六 2006
		千港元 HK\$'000	千港元 HK\$'000
港元	Hong Kong dollars	39,941	60,931
人民幣	Chinese Renminbi	16,578	19,157
美元	United States dollars	61,756	98,886
加拿大元	Canadian dollars	34,816	23,223
日圓	Japanese Yen	27,086	1,195
		180,177	203,392

28. 應附費用及其他應付款項**28. ACCRUALS AND OTHER PAYABLES**

		集團		公司	
		Group	Company	Group	Company
		二零零七	二零零六	二零零七	二零零六
		2007	2006	2007	2006
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
應付薪金及花紅	Accruals for salaries and bonuses	10,581	9,026	—	—
預收款	Receipts in advance	1,659	2,204	—	—
應付營運費用	Accrued operating expenses	10,918	6,837	354	259
其他應付款	Other payables	552	413	—	—
		23,710	18,480	354	259

29. 衍生金融工具

於二零零七年三月三十一日，集團有尚未使用的美元外幣對沖合約。於二零零七年三月三十一日尚未行使之具體金額為87,126,000港元（二零零六年：23,400,000港元）。

29. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2007, the Group had outstanding forward foreign currency contracts to sell/purchase US Dollars. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2007 were HK\$87,126,000 (2006: HK\$23,400,000).

30. 遞延所得稅

當有法定權利可將現有稅項資產與現有稅項負債抵銷，而遞延稅項涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。綜合資產負債表上之結餘，根據適當之抵銷後如下：

30. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The balances shown in the consolidated balance sheet are, after appropriate offsetting, as follows:

		集團	
		Group	Company
		二零零七	二零零六
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
遞延稅項資產， 十二個月後收回	Deferred income tax assets, to be recovered after more than 12 months	701	1,088
遞延稅項負債， 於十二個月後清還	Deferred income tax liabilities, to be settled after more than 12 months	(5,015)	(4,559)
遞延稅項負債淨值	Net deferred income tax liabilities	(4,314)	(3,471)

30. 遞延所得稅 (續)

遞延稅項變動如下：

		集團 Group	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
於四月一日	At 1 April	(3,471)	(3,081)
在損益表支銷 (附註10)	Charged to income statement (Note 10)	(843)	(390)
於三月三十一日	At 31 March	<u>(4,314)</u>	<u>(3,471)</u>

年內遞延稅項資產及負債之變動 (與同一徵稅地區之結餘抵銷前) 如下：

The movement on deferred income tax account is as follow:

The movement in deferred tax assets and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

		稅損 Tax losses	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
遞延稅項資產	Deferred tax assets		
於四月一日	At 1 April	1,619	2,754
在損益表支銷	Charged to income statement	(469)	(1,135)
於三月三十一日	At 31 March	<u>1,150</u>	<u>1,619</u>

		加速稅項折舊 Accelerated tax depreciation	
		二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
遞延稅項負債	Deferred tax liabilities		
於四月一日	At 1 April	5,090	5,835
在損益表支銷 / (記賬)	Charged/(credited) to income statement	374	(745)
於三月三十一日	At 31 March	<u>5,464</u>	<u>5,090</u>

30. 遞延所得稅 (續)

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。本集團並無就稅損約8,510,000港元(二零零六年：5,962,000港元)確認遞延稅項資產約38,452,000港元(二零零六年：26,794,000港元)，此等稅項虧損可帶到將來對銷稅項收入。於二零零七年三月三十一日，累計稅項虧損為18,562,000港元，將於二零一一至二零一四年屆滿，而餘下19,890,000港元可無限期待銷將來之稅項收入。

新企業所得稅法

於二零零七年三月十六日，全國人民代表大會通過《中華人民共和國企業所得稅法》(「新企業所得稅法」)。自二零零八年一月一日起生效。董事已評估此新企業所得稅法之影響，並認為沒有對截至二零零七年三月三十一日止之財務報表帶來重大影響。

新企業所得稅法訂明釐定應課稅利潤、稅收優惠承繼條文的詳細措施及規則將由國務院於適當時候公佈。待國務院公佈其附加規則，本集團將評估其影響(如有)，並會更改會計估計。

30. DEFERRED INCOME TAX (continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$8,510,000 (2006: HK\$5,962,000) in respect of accumulated losses amounting to HK\$38,452,000 (2006: HK\$26,794,000) that can be carried forward against future taxable income. As at 31 March 2007, accumulated tax loss amounting to HK\$18,562,000 is expiring from 2011 to 2014, while the remaining balance of HK\$19,890,000 can be carried forward indefinitely to offset against future taxable income.

New Corporate Income Tax Law

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"), which will become effective from 1 January 2008. The directors have assessed the impact of such new CIT Law and consider that the new CIT Law has no material financial impact to the Group's financial statements for the year ended 31 March 2007.

The new CIT Law provides that further detailed measures and regulations on the determination of taxable profit, tax incentives and grandfathering provisions will be issued by the State Council in due course. As and when the State Council announces the additional regulations, the Group will assess their impact, if any, and this change in accounting estimate will be accounted for prospectively.

31. 股本 — 本公司

31. SHARE CAPITAL — COMPANY

		二零零七 2007		二零零六 2006	
		股份數目 Number of shares		股份數目 Number of shares	
		千股 '000	千港元 HK\$'000	千股 '000	千港元 HK\$'000
法定 —	Authorised —				
普通股每股面值0.10港元	Ordinary shares of HK\$0.10 each	1,000,000	100,000	1,000,000	100,000
已發行及繳足 —	Issued and fully paid —				
普通股每股面值0.10港元	Ordinary shares of HK\$0.10 each				
於四月一日	At 1 April	272,175	27,218	265,963	26,596
股份發行由於行使認股權証 (附註(i))	Issue of shares upon exercise of warrants (i)	7,605	760	6,746	675
購回股份 (附註(ii))	Purchase of own shares (ii)	(1,640)	(164)	(534)	(53)
於三月三十一日	At 31 March	278,140	27,814	272,175	27,218

附註：

Notes:

(i) 於二零零七年三月三十一日止期間，7,605,766股認股權証（二零零六年：6,746,799）已全部行使，若可認購7,605,766股股份（二零零六年：6,746,799），認購價為每股0.40港元至0.50港元（附註33）。

(i) During the year ended 31 March 2007, 7,605,766 (2006: 6,746,799) warrants were utilised to subscribe for 7,605,766 (2006: 6,746,799) shares, at a subscription price of HK\$0.40 to HK\$0.50 per share (Note 33).

(ii) 於二零零七年三月三十一日止期間，公司購回1,640,000股股份（二零零六年：534,000），共約782,000港元（二零零六年：268,000港元）。這些股份期後已取消。

(ii) During the year ended 31 March 2007, the Company repurchased 1,640,000 shares (2006: 534,000) for approximately HK\$782,000 (2006: 268,000). These shares were subsequently cancelled.

31. 股本 — 本公司 (續)

購回股份數目

交易時間	Date of repurchase	每股份成交價 Number of shares repurchased '000	Price per share	
			所付最低價 Lowest HK\$	所付最高價 Highest HK\$
二零零六年四月	April 2006	32	0.520	0.530
二零零六年五月	May 2006	148	0.490	0.510
二零零六年六月	June 2006	32	0.475	0.485
二零零六年七月	July 2006	40	0.465	0.465
二零零六年八月	August 2006	390	0.445	0.480
二零零六年九月	September 2006	426	0.465	0.495
二零零六年十月	October 2006	18	0.470	0.480
二零零七年一月	January 2007	130	0.475	0.490
二零零七年二月	February 2007	192	0.475	0.485
二零零七年三月	March 2007	232	0.475	0.495
		1,640	0.445	0.530

32. 僱員購股權

本公司採取僱員購股權計劃，可據此向本集團之僱員（包括本公司之執行董事）授出購股權以便認購本公司之股份，惟最多以本公司當時已發行股本面值（不包括因行使購股權而發行之股份）30%為限。該購股權行使價將由本公司之董事會釐定，以(i)本公司股份於購股權授予日之收市價；(ii)緊接授予購股權日前五個交易日本公司股份之平均收市價；或(iii)本公司股份之面值每股0.10港元，三者以較高者為準。

截至二零零七年三月三十一日，本公司概無出售購股權（二零零六年：零）。於二零零七年三月三十一日，本公司概無行使購股權（二零零六年：零）。於二零零七年三月三十一日，沒有未行使之購股權（二零零六年：零）。

31. SHARE CAPITAL — COMPANY (continued)**32. EMPLOYEE SHARE OPTIONS**

The Company has an employee share option scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time excluding for this purpose any shares issued upon exercise of employee share options. The exercise price will be determined by the Company's board of directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.10 each.

No share options were granted during the year ended 31 March 2007 (2006: nil). No share options were exercised during the year ended 31 March 2007 (2006: nil). No share options were outstanding as at 31 March 2007 (2006: nil).

33. 認股權証

授予日期 Date of grant	行使時期 Exercise period	認購價 Subscription price	期初 Beginning of the year	期間授予數量 Granted during the year	期間行使數量 Utilised during the year	期末 End of the year
二零零五年二月二十五日 25 February 2005	二零零五年二月二十五日至二零零八年二月二十四日 25 February 2005 to 24 February 2008	HK\$0.50	20,816,704	—	(7,577,766)	13,238,938
二零零七年一月二十三日 23 January 2007	二零零七年一月二十三日至二零一二年一月二十二日 23 January 2007 to 22 January 2012	HK\$0.40	—	26,070,000	(28,000)	26,042,000
			<u>20,816,704</u>	<u>26,070,000</u>	<u>(7,605,766)</u>	<u>39,280,938</u>

於二零零五年三月三十一日止年度，公司發行了28,843,209股認股權証，可按每股0.50港元認購價購買一股每股面值0.10港元之股份。認股權証可於二零零五年二月二十五日至二零零八年二月二十四日行使。截止二零零五年三月三十一日，1,279,706股認股權証已被行使，以認購1,279,706股公司之股份，總代價約640,000港元。

於二零零七年三月三十一日止年度，公司發行了26,070,000股認股權証，可按每股0.40港元認購價購買一股每股面值0.10港元之股份。認股權証可於二零零七年一月二十三日至二零一二年一月二十二日行使。

本年度7,605,766股認股權証（二零零六年：6,746,799）已行使，以認購7,605,766股公司之股份（二零零六年：6,746,799），總代價約3,800,000港元（二零零六年：3,374,000港元）。

33. WARRANTS

During the year ended 31 March 2005, the Company issued 28,843,209 warrants, each of which can subscribe for 1 share of HK\$0.10 each in the Company at a subscription price of HK\$0.50 each. The warrants are exercisable from 25 February 2005 to 24 February 2008. Up to 31 March 2005, an aggregate amount of 1,279,706 warrants were utilised to subscribe for 1,279,706 shares in the Company for an aggregate consideration of approximately HK\$640,000.

During the year ended 31 March 2007, the Company issued 26,070,000 warrants, each of which can subscribe for 1 shares of HK\$0.10 each in the Company at a subscription price of HK\$0.40 each. The warrants are exercisable from 23 January 2007 to 22 January 2012.

During the year, 7,605,766 (2006: 6,746,799) warrants were utilised to subscribe for 7,605,766 (2006: 6,746,799) shares in the Company for an aggregate consideration of approximately HK\$3,800,000 (2006: HK\$3,374,000).

34. 儲備

34. RESERVES

(a) 集團

(a) Group

		股份溢價 Share premium 千港元 HK\$'000	資本儲備(ii) Capital reserve (ii) 千港元 HK\$'000	股份 購回盈餘 Share redemption reserve 千港元 HK\$'000	累計 外幣換算 Cumulative translation adjustments 千港元 HK\$'000	法定儲備(iii) Statutory reserve (iii) 千港元 HK\$'000	可供出售財務 資產重估儲備 Available-for- sale financial assets revaluation reserve 千港元 HK\$'000	保留盈利 Retained profits 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年四月一日	As 1 April 2006	201,838	41,201	268	1,977	90	—	85,579	330,953
本年度溢利	Profit for the year	—	—	—	—	—	—	10,994	10,994
外幣換算	Translation adjustments	—	—	—	707	—	—	—	707
股份發行由於行使 認股權證	Issue of shares upon exercise of warrants	3,040	—	—	—	—	—	—	3,040
股份發行成本	Share issue costs	(6)	—	—	—	—	—	—	(6)
購回股份	Purchase of own shares	(618)	—	782	—	—	—	(782)	(618)
可供出售財務資產 重估儲備盈餘	Gain on revaluation of available-for-sale financial assets	—	—	—	—	—	1,046	—	1,046
股息(附註14)	Dividends (Note 14)	—	—	—	—	—	—	—	—
現金	Cash	—	—	—	—	—	—	(3,681)	(3,681)
認股權證(i)	Warrants (i)	1,826	—	—	—	—	—	(1,826)	—
於二零零七年 三月三十一日	At 31 March 2007	206,080	41,201	1,050	2,684	90	1,046	90,284	342,435
組成如下 —	Representing —								
擬派末期股息	Proposed dividend							4,172	
其他	Others							86,112	
								<u>90,284</u>	
於二零零五年四月一日	At 1 April 2005	199,355	41,201	—	987	90	—	81,380	323,013
本年度溢利	Profit for the year	—	—	—	—	—	—	12,648	12,648
外幣換算	Translation adjustments	—	—	—	990	—	—	—	990
發行股份由於行使 認股權證	Issue of shares upon exercise of warrants	2,699	—	—	—	—	—	—	2,699
發行股份成本	Share issue cost	(1)	—	—	—	—	—	—	(1)
購回股份股息	Purchase of own shares Dividends	(215)	—	268	—	—	—	(268)	(215)
		—	—	—	—	—	—	(8,181)	(8,181)
於二零零六年 三月三十一日	At 31 March 2006	201,838	41,201	268	1,977	90	85,579	330,953	
組成如下 —	Representing —								
擬派末期股息	Proposed dividend							2,720	
其他	Others							82,859	
								<u>85,579</u>	

34. 儲備 (續)**(a) 集團 (續)**

附註：

- (i) 部份股東選擇以認股權證作為股息。認股權證發行詳情可參考附註33。
- (ii) 本集團之資本儲備為本公司發行之股份面值與根據於一九九四年集團重組轉讓予本公司的附屬公司股本面值兩者之差額，加上於二零零零年三月三十一日財政年度內因削減股本面值而產生的盈餘51,594,000港元。
- (iii) 中國大陸之附屬公司之法定公積金，法定公積金用於彌補公司之虧損，擴大生產經營業務或增加附屬公司資本。

34. RESERVES (continued)**(a) Group (continued)**

Notes:

- (i) Certain shareholders had elected to receive their dividends in warrants. Refer to Note 33 for the details of the warrants issued.
- (ii) Capital reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of the subsidiaries transferred to the Company pursuant to a group reorganisation in 1994, plus the credit of HK\$51,594,000 from share capital as a result of a reduction of the Company's share capital took place during the year ended 31 March 2000.
- (iii) Statutory reserve of a subsidiary in Mainland China can be used to offset future losses or increase in capital of the subsidiary.

34. 儲備 (續)

34. RESERVES (continued)

(b) 本公司

(b) Company

		股份溢價 Share premium 千港元 HK\$'000	股份購回 盈餘 Share redemption reserve 千港元 HK\$'000	繳入盈餘(i) Contributed surplus (i) 千港元 HK\$'000	保留盈利 Retained profits 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年四月一日	At 1 April 2006	201,838	268	72,309	5,077	279,492
本年度盈利	Profit for the year	—	—	—	20,269	20,269
發行股份	Issue of shares upon exercise of warrants	3,040	—	—	—	3,040
股份發行成本	Share issue costs	(6)	—	—	—	(6)
股份購回	Purchase of own shares	(618)	782	—	(782)	(618)
股息 (附註14)	Dividends (Note 14)	—	—	—	—	—
現金	Cash	—	—	—	(3,681)	(3,681)
認股權證	Warrants	1,826	—	—	(1,826)	—
於二零零七年 三月三十一日	At 31 March 2007	206,080	1,050	72,309	19,057	298,496
組成如下：	Representing:					
擬派末期股息	Proposed dividend				4,172	
其他	Others				14,885	
					<u>19,057</u>	
於二零零五年四月一日	At 1 April 2005	199,355	—	72,309	13,293	284,957
本年度盈利	Profit for the year	—	—	—	233	233
發行股份	Issue of shares	2,699	—	—	—	2,699
發行股份成本	Share issue costs	(1)	—	—	—	(1)
股份購回	Purchase of own shares	(215)	268	—	(268)	(215)
股息	Dividends	—	—	—	(8,181)	(8,181)
於二零零六年 三月三十一日	At 31 March 2006	201,838	268	72,309	5,077	279,492
組成如下：	Representing:					
擬派末期股息	Proposed dividend				2,720	
其他	Others				2,357	
					<u>5,077</u>	

附註：

Note:

(i) 本公司之繳入盈餘為集團於一九九四年重組時本公司發行之股份面值用以交換Daiwa BVI Limited已發行普通股及其附屬公司資產淨值兩者之差額，加上於二零零零年三月三十一日財政年度內因削減股本面值而產生的盈餘51,594,000港元。

根據百慕達一九八一年公司法，繳入盈餘可分派予股東，惟公司不能用作派發或支付股息，或從繳入盈餘中分派，如(i)分派後不能如期清還到期之債務或(ii)資產淨值低於負債及已發行股本及股份溢價之總額。

(i) The contributed surplus of the Company represents the difference between the nominal amount of the Company's shares issued in exchange for the issued ordinary shares of Daiwa BVI Limited and the value of net assets of its underlying subsidiaries pursuant to a group reorganisation in 1994, plus the credit of HK\$51,594,000 from share capital as a result of a reduction of the Company's share capital took place during the year ended 31 March 2000.

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or make after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

35. 綜合現金流量表

35. CONSOLIDATED CASH FLOW STATEMENT

(a) 除稅前盈利與經營業務之現金 (流出)／流入淨額調節表	(a) Reconciliation of profit before income tax to net cash (outflow)/inflow from operations	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
除稅前盈利	Profit before income tax	15,328	15,837
調整－	Adjustments for —		
利息收入	Interest income	(1,233)	(663)
利息開支	Interest expense	8,313	3,769
土地及土地使用權攤銷	Amortisation of leasehold land and land use rights	652	455
物業、機器及設備折舊	Depreciation of property, plant and equipment	15,245	14,090
商譽耗蝕虧蝕	Impairment loss of goodwill	156	—
應收營業賬項耗蝕	Impairment of trade receivables	1,269	951
庫存減值	Write-down of inventories	3,959	3,234
變賣物業、機器、設備以及 土地及土地使用權虧損	Loss on disposal of property, plant and equipment, and leasehold land and land use rights	326	318
共同控制實體虧損	Impairment of a jointly controlled entity	—	1,638
其他長期資產耗蝕虧損	Impairment loss of other long-term assets	—	340
金融衍生工具公平值 (盈餘)／虧損	Fair value (gain)/loss on derivative financial instruments	(1,085)	1,349
		42,930	41,318
營運資本轉變：	Changes in working capital:		
存貨	Inventories	(35,453)	(17,131)
應收營業賬項	Trade receivables	60,069	(34,537)
預付款項、按金及其他 應收款項	Prepayments, deposits and other receivables	3,426	3,351
應付營業賬項	Trade payables	(93,895)	41,569
應付購買土地使用權	Payable for purchase of land use rights	(5,121)	5,121
應付費用及其他應付款項	Accruals and other payables	948	(3,468)
經營之現金(流出)／ 流入淨額	Net cash (outflow)/inflow from operations	(27,096)	36,223

35. 綜合現金流量表 (續)

- (b) 在綜合現金流量表內，出售物業、機器及設備以及土地及土地使用權的所得款包括：

賬面淨值	Net book amount	859	356
出售物業、機器及設備及土地及土地使用權虧損	Loss on disposal of property, plant and equipment, and leasehold land and land use rights	(326)	(318)
出售物業、機器及設備及土地及土地使用權所得款項	Proceeds from disposal of property, plant and equipment, and leasehold land and land use rights	533	38

(c) 收購Daiwa Sound Company Limited (「DSC」)：

於二零零六年六月，本集團收購DSC百分之五十二權益。DSC從事喇叭驅動單元部件及元器之貿易及製造業務。於二零零六年七月一日至二零零七年三月三十一日，該收購業務為集團帶來171,579,000港元收益及5,214,000港元虧損淨值。如果收購自二零零六年四月一日發生，集團收益將為232,216,000港元；而分配前之虧損將為5,972,000港元。這些金額已根據集團會計政策計算及已調整附屬公司的業績以反映假設對相關資產的公平值調整於二零零六年四月一日起已經應用而應已扣除的相關折舊及攤銷，連同因而產生的稅項影響。

35. CONSOLIDATED CASH FLOW STATEMENT

(continued)

- (b) In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment, and leasehold land and land use rights comprise:

	二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000
Net book amount	859	356
Loss on disposal of property, plant and equipment, and leasehold land and land use rights	(326)	(318)
Proceeds from disposal of property, plant and equipment, and leasehold land and land use rights	533	38

(c) Acquisition of Daiwa Sound Company Limited (「DSC」):

In June 2006, the Group acquired 52% interest in DSC, a company engages in the trading and manufacturing of speaker elements and components. The acquired business contributed revenues of HK\$171,579,000 and net loss of HK\$5,214,000 to the Group for the period from 1 July 2006 to 31 March 2007. If the acquisition had occurred on 1 April 2006, Group revenue would have been HK\$232,216,000; loss before allocation would have been HK\$5,972,000. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the relevant depreciation and amortisation that would have been charged assuming the fair value adjustments on the relevant assets had applied from 1 April 2006, together with the consequential tax effects.

35. 綜合現金流量表 (續)

35. CONSOLIDATED CASH FLOW STATEMENT

(continued)

(c) 收購 Daiwa Sound Company Limited (「DSC」)：(續)

(c) Acquisition of Daiwa Sound Company Limited (「DSC」)：(continued)

收購之資產淨值及商譽詳情如下：

Details of the net assets acquired and goodwill are as follows:

		千港元 HK\$'000
收購資產：	Net assets acquired:	
物業、機器及設備	Property, plant and equipment	9,845
可供出售財務資產	Available-for-sale financial assets	3,010
存貨	Inventories	23,216
應收營業賬項	Trade receivables	50,229
其他應收款項	Prepayments, deposits and other receivables	2,580
現金及現金等價物	Cash and cash equivalents	1,632
借貸	Borrowings	(12,470)
應付營業賬項	Trade payables	(70,680)
應付費用及其他 應付款項	Accruals and other payables	(3,991)
少數股東權益	Minority interests	(1,618)
		<hr/>
		1,753
商譽	Goodwill	239
		<hr/>
購買代價及收購費用	Purchase consideration and cost of acquisition	1,992
		<hr/> <hr/>
支付方式：	Satisfied by:	
現金	Cash	1,992
		<hr/> <hr/>
收購DSC產生之現金 流出淨額分析：	Analysis of the net cash outflow in respect of the acquisition of DSC:	
		千港元 HK\$'000
現金代價	Cash consideration	1,992
減：購入之現金 及現金等額	Less: Cash and cash equivalents acquired	(1,632)
		<hr/>
收購附屬公司產生 之現金流出淨額	Net cash outflow in respect of the purchase of subsidiaries	360
		<hr/> <hr/>

35. 綜合現金流量表 (續)

(d) 非現金交易

於二零零七年三月三十一日止期間，集團新融資購買物業、機器及設備為3,758,000港元(二零零六年：零港元)。

36. 承擔

(a) 資本承擔

於資產負債表日，本集團有下列各項資本承擔未計提準備：

已訂約但未計提準備 購買物業、機器及 設備	Contracted but not provided for purchase of property, plant and equipment
-----------------------------	---

(b) 營運租約承擔

於二零零七年三月三十一日，對於外租之辦公室根據不可撤銷之營運租約協議，產生之營運租約承擔總額分析如下：

第一年內	Not later than one year
第二年至第五年內	Later than one year and not later than five years

普遍而言，集團之營運租約一般為期1年至4年。

於二零零六年及二零零七年三月三十一日，公司均沒有重大之承擔。

35. CONSOLIDATED CASH FLOW STATEMENT

(continued)

(d) Non-cash transaction:

During the year ended 31 March 2007, the Group financed acquisitions of certain property, plant and equipment by new finance leases of HK\$3,758,000 (2006: Nil).

36. COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments not provided for at the balance sheet date:

		集團 Group
		二零零七 2007 千港元 HK\$'000
		二零零六 2006 千港元 HK\$'000
		<u>13,804</u>
		<u>3,973</u>

(b) Operating lease commitments

At 31 March 2007, the future aggregate minimum lease payments in respect of rented office premises under non-cancellable operating leases were as follows:

		集團 Group
		二零零七 2007 千港元 HK\$'000
		二零零六 2006 千港元 HK\$'000
第一年內	Not later than one year	5,911
第二年至第五年內	Later than one year and not later than five years	8,245
		<u>14,156</u>
		<u>10,497</u>

Generally, the Group's operating leases are for terms of 1 to 4 years.

The Company did not have any significant commitment at 31 March 2006 and 2007.

37. 有關連人士交易

於二零零七年三月三十一日，Leading Trade Limited及China Capital Holdings Investment Limited分別擁有本公司22.63%（二零零六年：22.02%）及25.96%（二零零六年：19.17%）股權。此兩間公司均由公司董事劉得還先生及陳婉薇女士控制。

如本集團或其管理人員之任何成員或其近親能夠直接或間接對某一方的財務和經營決策有重大影響或反之亦然的情形、或本集團和該方受到共同的重大影響，則該方為本集團的相關人士。相關人士可以是個人或實體。

(a) 交易

以下為主要關連交易之摘要，均為集團之一般業務：

營運租賃租金付給 關連人士	Operating lease rental paid to a related party:
361 Alden Inc.	361 Alden Inc.

361 Alden Inc.為劉得還先生及陳婉薇女士（本公司董事）共同擁有。營運租賃租金由雙方共同協商決定。

37. RELATED PARTY TRANSACTIONS

As at 31 March 2007, Leading Trade Limited owns 22.63% (2006: 22.02%) of the Company's shares and China Capital Holdings Investment Limited owns 25.96% (2006: 19.17%) of the Company's shares. These two companies are under the control of the Company's directors, Mr. Lau Tak Wan, and Ms. Chan Yuen Mei, Pinky.

Parties are considered to be related to the Group if the Group or any member of its key management personnel or their close family members has the ability, directly or indirectly, to exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common significant influence. Related parties may be individuals or entities.

(a) Transactions

The following is a summary of significant related party transactions, which were carried out in the normal course of the Group's business:

集團 Group	
二零零七 2007 千港元 HK\$'000	二零零六 2006 千港元 HK\$'000

<u>1,238</u>	<u>1,229</u>
--------------	--------------

361 Alden Inc. is beneficially owned by Mr. Lau Tak Wan and Ms. Chan Yuen Mei, Pinky, directors of the Company. Operating lease rental expense is determined at rate mutually agreed between the parties.

37. 有關連人士交易 (續)**(b) 附屬公司餘額**

附屬公司餘額	Balances with subsidiaries
— 應收附屬公司款項	— Amounts due from subsidiaries

附屬公司借款為無抵押、免息及須於要求時償還。

(c) 主要管理報酬

薪金及津貼	Salaries and allowances
花紅	Bonuses
退休金 — 界定供款計劃	Pension costs — defined contribution plan

37. RELATED PARTY TRANSACTIONS (continued)**(b) Balances with subsidiaries**

本公司	
Company	
二零零七	二零零六
2007	2006
千港元	千港元
HK\$'000	HK\$'000

292,423	272,692
----------------	----------------

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand.

(c) Key management compensation

集團	
Group	
二零零七	二零零六
2007	2006
千港元	千港元
HK\$'000	HK\$'000

8,056	8,030
1,586	2,097
352	352
9,994	10,479

購股權計劃

本公司已根據聯交所證券上市規則（「上市規則」）第17章之規定，於二零零五年八月十八日舉行之股東週年大會上經股東批准採納新購股權計劃。

新購股權計劃之概要如下：

1. 計劃之宗旨

新購股權計劃旨在鼓勵或嘉獎參與人對本集團所作出之貢獻，同時使本集團可招攬及挽留能幹之員工並吸引到對本集團之企業發展具有價值之人力資源。

2. 可參與人士

根據購股權計劃條款、上市規則規定及在其規限下，董事局可全權決定供給購股權予任何合資格參與人。

董事可不時因應參與人對本集團及投資實體之業務發展及增長所作出之貢獻而決定上述任何一類參與人是否符合獲授任何購股權資格之基準。

3. 發行之最高股份數目

(a) 按新購股權計劃及本公司之任何其他購股權計劃已授出全數尚有待行使之購股權獲行使而可發行之最高股份數目，合共不得超過本公司不時已發行股本之30%。

SHARE OPTION SCHEME

The Company has, in accordance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), adopted the New Share Option Scheme, as approved by the Shareholders of the Company at the Annual General Meeting held on 18 August 2005.

A summary of the principal terms of the New Share Option Scheme is set out as below:

1. Purpose

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and to attract human resources for the growth of the Group.

2. Who may join

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Participant as the Board may in its absolute discretion select.

The basis of eligibility of Participants to the grant of any Options shall be determined by the directors from time to time on the basis of their contribution to the development and growth of the Group.

3. Maximum number of Shares

(a) The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

購股權計劃 (續)**3. 發行之最高股份數目** (續)

- (b) 按新購股權計劃及本公司之任何其他購股權計劃將授出之全數購股權(就此而言並不包括按照新購股權計劃及本公司之任何其他購股權計劃之條款已作廢之購股權)獲行使而可發行之股份總數，合共不得超過於普通決議案獲通過新購股權計劃之日已發行股份之10%(「一般計劃上限」)。
- (c) 本公司可提請股東在股東大會上批准更新一般計劃上限及根據上市規則向股東發出有關通函，惟按新購股權計劃及本公司之任何其他購股權計劃將授出之全數購股權獲行使而可發行之股份總數，不得超過於該上限獲批准之日已發行股份之10%；而在計算該上限時，根據新購股權計劃及本公司之任何其他購股權計劃在此之前已授出之購股權(包括按照新購股權計劃及本公司之任何其他購股權計劃尚未行使、已註銷、已作廢或已行使之購股權)將不會計算在內。
- (d) 本公司可根據上市規則向股東發出通函要求股東於股東大會上另行批准授出超過一般計劃上限或(如適用)上文(c)項所述上限之購股權予本公司在尋求上述批准前指定之承授者。

SHARE OPTION SCHEME (continued)**3. Maximum number of Shares** (continued)

- (b) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Company) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (the “General Scheme Limit”).
- (c) The Company may refresh the General Scheme Limit from time to time by obtaining approval of the shareholders of the Company in general meeting and the issue of a circular in compliance with Listing Rules to the shareholders of the Company in connection therewith, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, options previously granted under the New Share Option Scheme or any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Company) will not be counted.
- (d) The Company may issue a circular in compliance with Listing Rules to the shareholders of the Company and seek separate approval by the shareholders of the Company in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (c) above to Grantees specifically identified by the Company before such approval is sought.

購股權計劃 (續)**4. 各參與者可認購之最高股份數目**

於任何十二個月期間內，按新購股權計劃及本公司之任何其他購股權計劃授予各參與者之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使而已發行及可發行之股份總數，不得超過本公司當時已發行股本之1%(「個人上限」)。如要在計至另行授出購股權之日止期間(包括該日在內)之任何十二個月內再授予某位參與者超過其個人上限之購股權，必須根據上市規則向股東發出通函及於本公司之股東大會上獲股東批准，而該參與者及其聯繫人士須放棄投票權。

5. 授予關連人士購股權

- (a) 根據新購股權計劃授出購股權予本公司之董事、首席行政人員或本公司之主要股東或彼等各自之任何聯繫人士(按「上市規則」之定義)，必須獲獨立非執行董事(不包括任何本身亦為購股權承受人之獨立非執行董事)批准。
- (b) 倘若對已授予本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人士(按「上市規則」之定義)之購股權條款作出之任何變動，或向某位主要股東或獨立非執行董事或彼等各自之任何聯繫人士授予購股權，將會導致計至獲授購股權之日止十二個月期間內(包括該日在內)按已授予及將授予該人士於新購股權計劃及本公司之任何其他購股權計劃之全數購股權(包括已行使、已註銷及尚未行使之購股權)獲行使而發行及將發行之股份：
- (i) 總額佔已發行股份之0.1%以上；及

SHARE OPTION SCHEME (continued)**4. Maximum entitlement of each Participant**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option scheme of the Company (including exercised, cancelled or outstanding options) to each Participant in any 12-month period shall not exceed 1% of the issued share capital of the Company at the time the Option is granted to the participant (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant, shall be subject to the issue of a circular in compliance with Listing Rules to the shareholders of the Company and the shareholders approval in general meeting of the Company with such Participant and his associates abstaining from voting.

5. Grant of options to connected persons

- (a) Any grant of Options under the New Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).
- (b) Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the New Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the total number of Shares in issue; and

購股權計劃 (續)**5. 授予關連人士購股權** (續)

(b) (續)

- (ii) 按每次授出購股權之日股份收市價計算之總值超過5,000,000港元；

則上述再行授出購股權之事宜須獲股東批准，而本公司須向股東發出一份通函。本公司之所有關連人士須於股東大會上放棄有關決議投票權，惟任何此關連人士可於股東大會上對有關決議案投反對票，但必須在該通函內已表明上述意向。任何於股東大會上批准授出上述購股權之事宜均採用投票方式表決。

6. 購股權之接納

接納購股權時繳付10港元作為代價。倘本公司於授出購股權起計28日內收到由承受人填妥、簽署及送回之購股權接納文件雙聯本，並向本公司支付10.00港元作為接納購股權之代價，則該購股權將被視為已獲承受人所接納。

7. 行使時限

購股權可自授予該購股權日隨即按購股權計劃之條款而行使，屆滿期為授予購股權日起五年後之最後一日。

除非董事另行決定及向參與者提出授予購股權之時表明，否則概無期權行使之前必須持有之最短期限。

SHARE OPTION SCHEME (continued)**5. Grant of options to connected persons** (continued)

(b) (continued)

- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the shareholders of the Company. The Company must send a circular in compliance with Listing Rules to the shareholders of the Company. All connected persons of the Company must abstain from voting on the relevant resolution at such general meeting, except that any such connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

6. Payment on acceptance of Option offer

A consideration of HK\$10 is payable on acceptance of the offer of grant of an Option. An offer for the grant of an Option shall be deemed to have been accepted when the duplicate letter of the offer is duly completed, signed and returned to the Company with payment of HK\$10.00 as consideration within 28 days from the date of offer.

7. Exercise of an Option

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the five-year period commencing immediately from the date of grant and expiring on the last day of the five-year period.

Unless the Directors otherwise determined and are stated in the offer of grant of Options to a Participant, there are no minimum period for which an option must be held before it can be exercised.

購股權計劃 (續)**8. 表現目標**

除非董事另行決定及於向參與者提出授予購股權之時表明，否則參與者於行使按新購股權計劃獲授之購股權前毋須達致任何表現目標。

9. 股份認購價

新購股權計劃之股份認購價由董事決定並於提出授予時通知參與人，惟認購價不得低於下列三者中之最高者：

- (a) 於提出授予購股權之日(該日須為交易日)聯交所每日報價表上註明之股份收市價；
- (b) 於緊接提出授予購股權日期之前五個交易日內聯交所每日報價表上註明之股份收市價之平均數；及
- (c) 股份面值。

10. 股份之地位

因行使購股權而配發之股份，須受本公司當時有效之公司細則一切規定所限制，並與於配發股份當日已發行之本公司繳足款股份享有同等權益，因此其持有人將有權獲得於股份配發之日或其後派付或作出之一切股息或其他分派，惟之前就早於股份配發日期之記錄日期而宣佈或建議或議決派付或作出之任何股息或其他分派則除外。

SHARE OPTION SCHEME (continued)**8. Performance target**

Unless the Directors otherwise determined and are stated in the offer of grant of Options to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

9. Subscription price for Shares

The Subscription Price under the New Share Option Scheme shall be a price determined by the directors and notified to a Participant at the time of the offer of grant, and shall not be lower than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer of grant; and
- (c) the nominal value of the Shares for the time being.

10. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Company's Bye-Laws for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

購股權計劃 (續)**11. 對授出購股權時間之限制**

當發生可令股價波動之事件或作出可令股價波動之決定後，不得提出授予購股權，直至上述可令股價波動之資料已在報章上發佈為止。尤其於緊接(i)為批准本公司之中期或全年度業績而舉行董事會會議之日；及(ii)根據本公司與聯交所訂立之上市協議本公司須公佈中期或全年度業績之最後期限(兩者中以較早日期為準)之前一個月起至公佈業績之日止期間內。

12. 新購股權計劃之有效期

購股期權計劃之有效期由採納該計劃日期起計五年。新購股權計劃將於該日期成為無附帶條件，而不得據此再授出購股權，已授出之購股權將仍有效及可據該計劃條款獲得行使。

13. 新購股權計劃之有效期

根據股東週年大會股東批准採納新購股權計劃，新購股權計劃維持生效直至二零一零年八月十七日。

SHARE OPTION SCHEME (continued)**11. Restrictions on the time of grant of options**

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, the Board shall not offer the grant of an Option to any Participant during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Directors for the approval of the Company's interim or annual results, and (ii) the last date on which the Company must publish its interim or annual results announcement under its listing agreement with the Stock Exchange and ending on the date of the announcement of the results.

12. Period of the New Share Option Scheme

The New Share Option Scheme will be valid and effective for a period of 5 years commencing on the date on which the New Share Option Scheme become unconditional, after which no further Options will be issued, and thereafter for so long as there are outstanding any unexercised Options granted pursuant thereto and in order to give effect to the exercise of any such Options or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

13. The life of the New Share Option Scheme

The New Share Option Scheme will remain in force until 17 August 2010, subject to approval by shareholders to adopt the New Share Option Scheme at the annual general meeting.

茲通告台和商事控股有限公司（「本公司」）訂於二零零七年八月三十一日（星期五）下午三時三十分假座香港九龍尖沙咀東部麼地道70號海景嘉福酒店一層瀚林廳舉行二零零七年度股東週年大會，議程如下：

NOTICE IS HEREBY GIVEN that the 2007 Annual General Meeting of Daiwa Associate Holdings Limited (the “Company”) will be held at Academy Room I-II, 1/F., International Grand Stanford Hotel, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 31 August 2007 at 3:30 p.m., for the following purposes:

- | | |
|---|---|
| <p>1. 省覽截至二零零七年三月三十一日止年度之經審核賬目及董事會報告書與核數師報告書；</p> <p>2. 宣佈派發末期股息；</p> <p>3. 重選董事及授權董事會釐定其酬金；</p> <p>4. 重新委聘核數師及授權董事會釐定其酬金；及</p> <p>5. 作為特別事項考慮並酌情通過或經修訂後通過下列普通決議案：</p> <p>(1) 「動議：</p> <p style="padding-left: 20px;">(a) 在下文(c)段限制，一般及無條件批准本公司董事於「有關期間」（定義見下文）行使本公司之一切權力，以配發、發行及處理本公司股本中之額外股份，以及作出或授予行使此等權力可能需要之建議、協議及購股權；</p> <p style="padding-left: 20px;">(b) 上文(a)段之批准下，本公司董事亦獲授權於「有關期間」內作出或授予可能須於「有關期間」結束行使該項權力之建議、協議或購股權；</p> | <p>1. To receive and consider the audited accounts and the Reports of the Directors and auditors for the year ended 31 March 2007;</p> <p>2. To declare a final dividend;</p> <p>3. To re-elect directors and to authorise the Board of Directors to fix their remuneration;</p> <p>4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration; and</p> <p>5. To consider and, if thought fit, pass with or without amendments, by way of special business, the following Ordinary Resolutions:</p> <p>(1) “THAT:</p> <p style="padding-left: 20px;">(a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;</p> <p style="padding-left: 20px;">(b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;</p> |
|---|---|

- (c) 本公司董事依據上文(a)段所授予之所發行或有條件或無條件同意發行(不論是否根據購股權或其他方式)之股本,但依據(i)供股(定義見下文),或(ii)因本公司任何認股權證所附之認購權獲行使而發行之本公司股份,或(iii)根據本公司之購股權計劃及任何購股權計劃或類似安排授予或發行予本公司及/或其任何附屬公司僱員(包括執行董事)之股份或購入股份之權利而發行的本公司股份,或(iv)根據本公司組織章程細則,就發行及配發股份以代替本公司股份之全部或部份股息之任何以股代息計劃或類似安排而發行的本公司股份除外,該數額不得超過本決議案通過當日本公司已發行股本面值總額之20%,而所述之批准亦須以此為限;及
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iii) an issue of shares pursuant to the exercise of options granted pursuant to a share option scheme adopted by the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including executive directors) of the Company and/or any of its subsidiaries of shares or rights to acquire shares, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) 就本決議案而言:
- 「有關期間」乃指由本決議案通過之日直至下列較早時間止之期間:
- (d) for the purpose of this resolution:
- “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) 本公司下屆股東週年大會結束時;
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 本公司之公司組織章程細則或百慕達一九八一年公司法例或任何適用法例規定本公司召開下屆股東週年大會之期限屆滿之日;及
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any applicable laws to be held; and

- (iii) 本公司股東於股東大會上通過普通決議案予撤銷或修訂本決議案之日。

「供股」乃指本公司董事向於指定記錄日期內姓名被列入股東名冊上之股份持有人按其當時之持股量比例提呈發售本公司股份或發行購股權認購本公司股份，（惟本公司董事可就零碎股權或因任何地區之法例或認可監管機構或證券交易所之規定而產生之法律或實際問題作出其認為必須或適當取消若干股東在此方面之權利或作出其他安排。）

(2) 「動議：

- (a) 在下文(b)段之規限下，一般及無條件批准本公司董事於「有關期間」（定義見下文）內行使本公司之一切權力購回其本身之股份，惟須遵守及按照一切適用法例及規例、本公司之公司細則及香港聯合交易所有限公司之規定證券上市規則或任何其他證券交易所之規定不時經修訂本；
- (b) 上文(a)段批准下，在有關期間內，所購回之本公司股份總面額不得超過本決議案通過當日期本公司已發行股本面值總額之百分之十，而上文之批准亦須受此為限制；及

- (iii) the revocation or variations of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company or issue of options to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(2) “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws and regulations, the bye-laws of the Company and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

- | | |
|---|---|
| <p>(c) 就本決議案而言，「有關期間」乃指由本決議案通過之日至下列較早之期間：</p> <p>(i) 本公司下屆股東週年大會結束時；</p> <p>(ii) 本公司之公司組織章程細則或百慕達一九八一年公司法例任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿之日；及</p> <p>(iii) 本公司股東於股東大會上通過普通決議案予撤銷或修訂本決議案之日。」</p> | <p>(c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:</p> <p>(i) the conclusion of the next annual general meeting of the Company;</p> <p>(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and</p> <p>(iii) the revocation or variations of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”</p> |
|---|---|

(3) 「動議：

待載於大會通告內第5項第(1)及第(2)段普通決議案獲得通過後，將授予本公司董事根據載於大會通告內第5項第(1)段可行使本公司權力發行、配發及處理本公司股份之一般授權並擴大至適用於本公司自授予該項一般授權後，董事根據載於大會通告內第5項第(2)段行使購回股份之權力而購回之本公司股本中之股份面值總額，惟該數額不得超過本決議案通過當日本公司股本面值總額之10%。」

(3) “THAT:

conditional upon the passing of Ordinary Resolutions Nos. (1) and (2) as set out in item 5 of the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with the shares in the Company pursuant to Ordinary Resolution No. (1) as set out in item 5 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. (2) as set out in item 5 of the notice convening this meeting, providing that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution.”

承董事會命
公司秘書
何聚聲

By Order of the Board
Ho Chui Sing
Company Secretary

香港，二零零七年七月三十一日

Hong Kong, 31 July 2007

附註：

Notes:

1. 凡有權出席股東週年大會並投票之股東均可委派一位或多位代表出席大會並代其投票。受委代表毋須為本公司股東。股東填妥及交回代表委任表格後，仍可親身出席大會並投票。
2. 代表委任表格連同簽署人之授權書或其他授權文件（如有），或經由公證人簽署證明之該等文件之副本，最遲須於大會舉行或其續會或選票（視情況而定）時間四十八小時前送達本公司香港股份過戶登記分處（雅柏勤證券登記有限公司於香港灣仔皇后大道東28號金鐘匯中心26樓），方為有效。
3. 本公司將於二零零七年八月二十七日（星期一）至二零零七年八月三十一日（星期五）（包括首尾兩日）期間暫停辦理股份過戶登記手續。為符合獲派末期股息之資格，所有股份過戶文件連同有關股票及過戶表格，最遲須於二零零七年八月二十四日（星期五）下午四時前送達雅柏勤證券登記有限公司（地址為香港灣仔皇后大道東28號金鐘匯中心26樓）。
1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting.
2. In order to be valid, a form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the office of the Company's branch registrar in Hong Kong, Abacus Share Registrars Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or poll (as the case may be).
3. The Register of Members of the Company will be closed from Monday, 27 August 2007 to Friday, 31 August 2007, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by relevant share certificates must be lodged with Abacus Share Registrars Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 24 August 2007.

台和商事控股有限公司

香港九龍觀塘成業街16號怡生工業中心G座11字樓

電話：852-2341 3351 傳真：852-2797 8275

網址：<http://www.daiwahk.com> 電子郵址：daiwa@daiwahk.com

股份代號：1037

DAIWA ASSOCIATE HOLDINGS LIMITED

11/F., Block G, East Sun Industrial Centre, 16 Shing Yip St., Kwun Tong, Kowloon, Hong Kong

Tel: 852-2341 3351 Fax: 852-2797 8275

Website: <http://www.daiwahk.com> E-mail: daiwa@daiwahk.com

Stock Code: 1037

