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## 公司資料

### Corporate Information

#### EXECUTIVE DIRECTORS

Mr. Tang Kuan Chien (*Chairman*)

Mr. Tang Wei Lun

Mr. Andy Hsiao-An Yuan (Resigned on 12th February 2007)

Mr. Lam Chi Yin Henry

Mr. Cheung Ming Leung Denver (Resigned on 27th June 2007)

Mr. Ng Man Kin Kenneth (Appointed on 1st June 2007)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hung Shean-I

Mr. Wong Nai Ping

Mr. Au Kwok Yee Benjamin

#### COMPANY SECRETARY

Mr. Leung Chi Wing Billy

#### AUDITORS

Morison Heng

Certified Public Accountants

17th Floor One Hysan Avenue

Causeway Bay

Hong Kong

#### PRINCIPAL BANKERS

Hua Nan Commercial Bank Ltd.

Hong Kong Branch

Suite 5601-03, 56/F Central Plaza

18 Harbour Road

Wanchai

Hong Kong

#### 執行董事

唐貫健先生 (主席)

唐偉倫先生

Andy Hsiao-An Yuan先生

(於二零零七年二月十二日辭任)

林智然先生

張明良先生 (於二零零七年六月二十七日辭任)

吳文健先生 (於二零零七年六月一日被委任)

#### 獨立非執行董事

洪顯一先生

黃乃平先生

歐國義先生

#### 公司秘書

梁志永先生

#### 核數師

華利信會計師事務所

香港

銅鑼灣

希慎道1號17樓

#### 主要往來銀行

華南商業銀行股份有限公司

香港分行

香港

灣仔

港灣道18號

中環廣場56樓5601-03室



## 公司資料 Corporate Information

### SHARE REGISTRAR & TRANSFER

Tengis Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Hong Kong

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### PRINCIPAL OFFICE

Room 1304-1305, 13/F  
Shun Fat Industrial Building  
17 Wang Hoi Road  
Kowloon Bay  
Kowloon  
Hong Kong

### 股份過戶登記處

登捷時有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### 主要辦事處

香港  
九龍  
九龍灣  
宏開道17號  
順發工業大廈  
13樓1304至1305室



## 財務摘要

## Financial Highlights

### Three years key financial data (in HK\$'000)

### 三年重要財務數據(千港元)

		2007 二零零七年	2006 二零零六年	2005 二零零五年
Revenue	收益	<b>300,334</b>	282,886	331,795
Net profit/(loss) attributable to equitable holders of the Company	本公司權益持有人應佔(虧損)/溢利淨額	<b>(18,398)</b>	599	(28,133)
Total assets	總資產	<b>194,104</b>	166,201	184,115
Net assets/(liabilities)	資產/(負債)淨額	<b>77,087</b>	66,060	(6,392)

### Turnover by products (in HK\$'000)

### 按產品劃分之收益(千港元)

		2007 二零零七年	2006 二零零六年	2005 二零零五年
PVC films	膠布	<b>300,334</b>	282,886	292,020
PVC floor coverings	膠地板	-	-	39,775
Total	總計	<b>300,334</b>	282,886	331,795



## 主席報告書

### Chairman's Statement

On behalf of the Board of Directors, I hereby present to the shareholders the annual report of Bestway International Holdings Limited (the "Company") and its subsidiary companies (together the "Group") for the year ended 31st March 2007

#### DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year.

#### BUSINESS REVIEW

##### Review of Operations

The principal activities of the Group during the year were the manufacturing and trading of plastic products, mainly PVC films. During the year, the Group's turnover was approximately HK\$300.33 million, compared with approximately HK\$282.89 million for the last year, an increase of about 6.16%. Gross profit for the year was HK\$15.84 million as compared with HK\$22.11 million last year. Gross profit margin had decreased to 5.27% as compared with last year of 7.82%. The sales volume for the year was 30,140 tones as compared with last year of 30,640 tones. The average selling price per ton was HK\$9,960 per ton and with the rising of HK\$730 per ton as compared with last year of average selling price of HK\$9,230 per ton. The decreased in gross profit margin was mainly due to the increase on costs of raw material and manufacturing. The net loss from the PVC films attributable to shareholders was HK\$18.40 million, compared with the net profit of HK\$0.60 million last year. The Group's basic loss per share from the PVC films for the year was HK\$6.19 cent when compared with earning per share of HK\$0.01 cent last year.

本人謹代表董事會向股東提呈百威國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零零七年三月三十一日止年度之年報。

#### 股息

董事不建議就本年度派發任何股息。

#### 業務回顧

##### 營運回顧

年內，本集團之主要業務是生產及銷售塑膠產品，主要是塑膠布。年內，本集團之銷售額約為300,330,000港元，相對於去年約282,890,000港元下上升約6.16%。本年度毛利為15,840,000港元，而去年毛利則為22,110,000港元。毛利率下跌至5.27%，而去年毛利率則為7.82%。本年度銷售量為30,140噸，而去年銷售量則為30,640噸。每噸平均售價為每噸9,960港元，較去年平均售價每噸9,230港元上升每噸730港元。毛利率下跌主要因為原材料及生產成本上升。本年度來自塑膠布之虧損淨額為18,400,000港元，而去年則為溢利660,000港元。年內，本集團來自塑膠布之每股基本虧損為6.19港仙，而去年則為每股盈利0.01港仙。



## 主席報告書

# Chairman's Statement

### Prospects

In early 2007, the Group started working on the relocation of its factory. The work was completed in July. The relocation was intended to maximise the economic returns of the existing resources by centralising and restructuring of the production lines and releasing the redundant production capacity. Furthermore, we also plan to adopt a new layout for our factory facilities for the use of more economical energy substitutes to mitigate the effect of rising energy cost. The Group is considering partial repayment of other high-interest loans to lessen the financial burden. We will continue to focus on the development of products and technology to offer our customers with highly value-added products. We hope the initiatives will improve the Group's operations.

### Employees

As at 31st March 2007, the Group had approximately 282 full time managerial, administrative and manufacturing employees of which 13 were based in Hong Kong and the rest were stationed in the PRC. The staff number and their respective duties for both years are set out in the following table:

		2007 二零零七年	2006 二零零六年
General administration & accounting	一般行政與會計	61	61
Sales & marketing	銷售及市場推廣	13	13
Material procurement & quality control	採購物料及品質控制	45	45
Manufacturing & warehousing	製造及倉庫	163	193
		<b>282</b>	<b>312</b>

The Group affords competitive remuneration packages to its employees based on prevailing industry practice and provides to most of its employees in the PRC with rent-free quarters and messing. Compensation policies are reviewed regularly and are designed to reward and motivate productivity and performance.

### 前景

本集團在2007年度初開始籌備及進行遷廠，並在七月完成，我們希望透過集中及重整生產線，剔除過剩之產能以便運用現有資源達到更高之經濟效益。同時我們亦正改動現有廠房配置，以便採取用較經濟之替代能源去彌補能源成本上漲之影響。本集團正在考慮償還部份高息之其他貸款，以減輕財務負擔。我們會繼續致力產品及技術開發，為客戶提供高附加值之產品。我們希望上述行動可改善集團的經營情況。

### 僱員

於二零零七年三月三十一日，本集團聘用約282名全職管理、行政及生產僱員。其中13人駐於香港，餘下員工則駐於中國。下表載列兩個年度之僱員人數及彼等之職務：

本集團根據現行業內慣例向僱員提供具競爭力之薪津，並向其中國大部份僱員提供免租宿舍及膳食設施。本公司定期檢討補償政策，旨在獎勵及激勵僱員之生產力及表現。



## 主席報告書 Chairman's Statement

On 25th September 2006, the Company has granted an employee share options to executive/non-executive directors and employees to enhance their contributions and continue services to the Company. Approximately HK\$1,785,000 has been charged to the income statement as the cost of share option for the period ended 31st March 2007. The fair value of total share options is HK\$3,597,000 which was valued by LCH (Asia-Pacific) Surveyors Limited.

### Appreciation

I would like to extend my gratitude to the members of the board of directors, our management team and staff for their loyalty and dedication during the past year. On behalf of the Board of Directors, I wish to convey our most sincere appreciation of the staunch support to our Group from all of our customers, suppliers and bankers during the year.

**Tang Kuan Chien**  
Chairman

Hong Kong, 18th July 2007

於二零零六年九月二十五日，本公司向執行董事／非行董事及僱員授予購股權，以加強他們對公司之貢獻及持續服務。大約1,785,000港元購股權費用在截止二零零七年三月三十一日之損益賬中入賬。總購股權之公平值為3,597,000港元由獨立估值師利駿行測量師有限公司估值。

### 致謝

本人謹藉此對各董事、管理層及員工於過去一年之竭誠服務及貢獻表示謝意。本人謹代表董事會對本集團所有客戶、供應商及往來銀行於年內對本集團之鼎力支持深表謝忱。

**唐貫健**  
主席

香港，二零零七年七月十八日





## 管理層討論及分析

# Management Discussion and Analysis

### FINANCIAL REVIEW

The principal activities of the Group during the year were the manufacturing and trading of plastic products, mainly PVC films. During the year, the Group's turnover was approximately HK\$300.33 million, compared with approximately HK\$282.89 million for the last year, an increase of about 6.16%. Gross profit for the year was HK\$15.84 million as compared with HK\$22.11 million last year. Gross profit margin had decreased to 5.27% as compared with last year of 7.82%. The sales volume for the year was 30,140 tones as compared with last year of 30,640 tones. The average selling price per ton was HK\$9,960 per ton and with the rising of HK\$730 per ton as compared with last year of average selling price of HK\$9,230 per ton. The decreased in gross profit margin was mainly due to the increase on costs of raw material and manufacturing. The net loss from the PVC films attributable to shareholders was HK\$18.40 million, compared with the net profit of HK\$0.60 million last year. The Group's basic loss per share from the PVC films for the year was HK\$6.19 cent when compared with earning per share of HK\$0.01 cent last year.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2007, the Group's bank and other borrowings was amounted to HK\$53,870,000 which was an increase of HK\$4,180,000 from its borrowings of HK\$49,690,000 at the year ended 31st March 2006.

Of the Group's total borrowings at 31st March 2007:

- (i) HK\$19,707,000 is at floating interest rates and HK\$34,163,000 is at fixed interest rates.
- (ii) 2.16% is denominated in Hong Kong Dollars and 61.26% is denominated in Renminbi and 36.58% in United States Dollars.

### 財務回顧

年內，本集團之主要業務是生產及銷售塑膠產品，主要是塑膠布。年內，本集團之銷售額約為300,330,000港元，相對於去年約282,890,000港元下上升約6.16%。本年度毛利為15,840,000港元，而去年毛利則為22,110,000港元。毛利率下跌至5.27%，而去年毛利率則為7.82%。本年度銷售量為30,140噸，而去年銷售量則為30,640噸。每噸平均售價為每噸9,960港元，較去年平均售價每噸9,230港元上升每噸730港元。毛利率下跌主要因為原材料及生產成本上升。本年度來自塑膠布之虧損淨額為18,400,000港元，而去年則為溢利660,000港元。年內，本集團來自塑膠布之每股基本虧損為6.19港仙，而去年則為每股盈利0.01港仙。

### 流動資金及財政資源

於二零零七年三月三十一日，本集團之銀行貸款及其他貸款為53,870,000港元，較截止二零零六年三月三十一日止年度借貸49,690,000港元增加4,180,000港元。

本集團於二零零七年三月三十一日之總借貸中：

- (i) 19,707,000港元按浮動利率計息，而34,163,000港元則按固定利率計息。
- (ii) 2.16%以港元計算，61.26%以人民幣計算及36.58%以美元計算。



## 管理層討論及分析

### Management Discussion and Analysis

As at 31st March 2007, the Group's cash and bank balances amounted to HK\$35,233,000 (as at 31st March 2006: HK\$14,200,000). The Group's net asset value amounted to approximately HK\$77.09 million (as at 31st March 2006: HK\$66.06 million) with total assets approximately HK\$194.10 million (as at 31st March 2006: HK\$166.20 million). Net current assets were approximately HK\$21.14 million (as at 31st March 2006: HK\$2.58 million) and the current ratio was 1.20 times (as at 31st March 2006: 1.03 times). The gearing ratio, expressed as the percentage of total borrowings to total net assets, was 69.88% as at 31st March 2007 (as at 31st March 2006: 75.22%).

On 11th May 2006, the Group had disposed entire 25% of equity interest in Shenzhen Wuye Jifa Warehouse Co., Ltd ("SWJ") through the disposal of entire 100% equity interest in Luen Fat Hong Investment Limited at a consideration of HK\$4,038,000. SWJ's major asset is the holding of a parcel of land located at Yantian Port, Yantian, Shenzhen, Guangdong Province of the PRC (the "Yantian Land")

On 8th September 2006, the Company had terminated the subscription agreement which was entered with Forex Investment Development Limited on 9th June 2006 in relation to the subscription of 2-year, 4% guaranteed convertible notes and convertible into ordinary shares of the company up to a principal amount of HK\$46.5 million. The termination was due to one of the conditions had not been fulfilled in respect of the collateral to be given by the Company in favour of the Subscriber

On 14th December 2006, the Company passed a resolution of capital restructuring at the SGM involving (i) capital reduction in the nominal value of each existing Share in issued and unissued of HK\$0.01 to HK\$0.05 and the authorised share capital of the Company be reduced from HK\$240,000,000 to HK\$120,000,000; (ii) Every 20 issued and unissued Shares of HK\$0.005 each be consolidated into one consolidated Share of HK\$0.10 and (iii) the credit arising from the Capital Reduction be credited to the contributed surplus account and will offset part of the accumulated losses as the 15th December 2006.

於二零零七年三月三十一日，本集團之現金及銀行結餘為35,233,000港元（於二零零六年三月三十一日：14,200,000港元）。本集團之資產淨值約為77,090,000港元（二零零六年三月三十一日：66,060,000港元），而資產總值約194,100,000港元（於二零零六年三月三十一日：166,200,000港元）。流動資產淨值約為21,140,000港元（於二零零六年三月三十一日：2,580,000港元），而流動比率則為1.20倍（於二零零六年三月三十一日：1.03倍）。資產負債比率以借貸總額比資產淨值總額之百分比表示，於二零零七年三月三十一日為69.88%（於二零零六年三月三十一日：75.22%）。

於二零零六年五月十一日，本集團以代價4,038,000港元出售其於Luen Fat Hong Investment Limited之全部股權，藉以出售其於Shenzhen Wuye Jifa Warehouse Co., Limited（「SWJ」）之25%股權。SWJ之主要資產為持有位於中國廣東省深圳鹽田鹽田港內之一幅土地（「鹽田土地」）。

於二零零六年九月八日，本公司終止於二零零六年六月九日與匯裕投資發展有限公司就認購兩年期年息四厘之有擔保可換股票據（可兌換為本金金額46,500,000港元之本公司普通股）訂立認購協議，原因為有關本公司須向認購人提供之抵押品其中一項條件尚未達成。

於二零零六年十二月十四日，本公司股東於股東特別大會上通過一項有關股本重組之決議案，當中涉及（i）將公司已發行及未發行股份中每股面值0.01港元之股份每股註銷0.005港元，藉以削減本公司之已發行及未發行股本，而本公司之法定股本將由240,000,000港元減少至120,000,000港元；（ii）將每20股每股面值0.005港元之已發行及尚未發行股份合併為一股每股0.10港元之合併股份，及（iii）將股本削減產生之進賬撥入本公司之繳入盈餘賬，並用以抵銷於二零零六年十二月十五日之部份累計虧損。



## 管理層討論及分析

### Management Discussion and Analysis

On 13th January, 2007, the Company had terminated a condition sale and purchase agreement which was entered with Hebei Cangzhou Chemical Group (Vendor) on 13th December 2005 to acquire 12% (50,470,400 stated-owned shares) of the existing issued share capital of Cangzhou Chemical Industrial Co Ltd., at a maximum cash consideration of HK\$120 million. The termination was due to all conditions in sales and purchase agreement had not been fulfilled within the Extended Condition Fulfillment Dated of 13th January 2007.

On 23rd March 2007, the Company has raised HK\$19.6 million after expenses by way of rights issue of 128,631,838 Right Shares at a price of HK\$0.16 per Right Share on the basis of one Right Share for every two existing Shares. The issued share capital will be 385,895,514 shares following the completion of the Rights Issue. The proceeds of the Right Issue is intended to be used for the general working capital, modification charge of existing machinery and removal expenses for factory

#### POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the following events had occurred:-

A wholly owned subsidiary, Dongguan Best Faith Plastic Products Limited (DG Best Faith) had applied for an increase of registered capital by US\$3,570,000 from US\$6,430,000 to US\$10,000,000, which has been approved on 7 June 2007.

The Directors has decided to implement a concentration strategy in order to better control in our daily operations especially in production, purchasing and financial control. Therefore, Dongguan Bestway Plastic Manufactory (DG Bestway) originally had four production lines in existing, two of production lines will move to its wholly owned subsidiary, DG Best Faith located at Shi Shui Kou Villiage, Qiao Tou Town, Dongguan City. And the remaining of two production lines in DG Bestway were disposed to a third party namely as 揭陽市中誠化學工業有限公司 at a total consideration price of RMB6,800,000 which has a net book value of RMB2,785,925. A gain of RMB 3,524,075 was arising from the disposal after the expenses.

於二零零七年一月十三日，本公司終止與河北滄州化工集團有限公司（「賣方」）於二零零五年十二月十三日簽訂之買賣協議，以收購滄州化學股份有限公司現有已發行股本之12%（50,470,400股國有股份），現金代價最多為120,000,000港元。終止原因是由於買賣協議之所有先決條件均未能於經延長該等條件達成日期二零零七年一月十三日前達成。

於二零零七年三月二十三日，本公司透過以持有兩股現有股份可獲發一股供股方式發行128,631,838股，扣除費用後集資19,600,000港元。緊隨供股完成後，發行股數為385,895,514股。供股所得之款項打算用作一般營運資金，現有機器改造費用及工廠搬遷費用。

#### 結算日後事項

於結算日後，有如下事項發生：

在二零零七年六月七日，一間全資附屬公司東莞百信塑膠製品有限公司（「東莞百信」）申請增加資本3,570,000美元，將註冊資本由6,430,000美元增加至10,000,000美元獲得批准。

董事決定執行集中策略，為了更好控制日常運作尤其是生產，採購及財務控制。故將東莞百威塑膠廠（「東莞百威」）原有四條生產線，其中兩條生產線已遷移至其位於東莞市橋頭鎮石水口村之全資附屬公司東莞百信。其餘兩條位於東莞百威之生產線以人民幣6,800,000元之價錢出售予第三者揭陽市中誠化學工業有限公司。該兩條生產線之賬面值是人民幣2,785,925元。扣除費用後獲利人民幣3,524,075元。



## 管理層討論及分析 Management Discussion and Analysis

### CHARGE ON THE GROUP'S ASSETS

The Group Pledged a bank deposits of HK\$8,370,000 as at 31st March 2007 (as at 31st March 2006: HK\$5,688,000) in return for granting banking facilities of USD3,000,000 by a principal banker. Certain of the Group's medium term leasehold land and the building with net book value of HK\$11.17 million (as at 31st March 2006: HK\$11.75 million) which was revalued by LCH (Asia Pacific) Surveyors Limited, independent professionally qualified valuer, on the open market, existing use basis, at 31st March 2007 at HK\$25,760,000 in aggregate, were pledged to secure a loan of RMB12.6 million granted to the Group.

### EXPOSURE TO FOREIGN EXCHANGE FLUCTUATION

The Group's monetary assets, liabilities and transactions were principally denominated in Hong Kong dollars ("HKD"), Reminbi ("RMB") and United States Dollars ("USD"). As all of the Group's production plants are based in the People's Republic of China, most wages and salaries and manufacturing overheads are mainly denominated in RMB. Hence, appreciation of the RMB against USD during the year had affected the loss of the Group.

The management has adopted a plan to mitigate the impact of USD depreciation in relation of RMB by the way of convert group's assets in terms of USD in PRC to RMB.

### 本集團之資產押記

截止二零零七年三月三十一日止，本集團將8,370,000港元之銀行存款抵押予主要往來銀行，以獲授一筆為數3,000,000美元之銀行信貸額。本集團賬面淨值11,170,000港元（二零零六年三月三十一日：11,750,000港元）之若干中期租賃土地及樓宇已作抵押以獲取一筆人民幣12,600,000元貸款。獨立專業合資格估值師利駿行測量師有限公司於公開市場按有關物業之現時用途評定其於二零零七年三月三十一日之估值為25,760,000港元。

### 外匯波動風險

本集團之貨幣資產及負債主要以港元、人民幣及美元為單位。由於本集團全部廠房均位於中華人民共和國，故大部份工資及薪金及間接費用主要以人民幣為單位，故人民幣升值對本集團虧損已造成影響。

本集團已採取相對措施將集團於中華人民共和國內之美元資產轉為以人民幣為單位致使減低美元貶值之影響。



## 管理層討論及分析

# Management Discussion and Analysis

### CONTINGENT LIABILITIES

As at 31st March 2007, the Group gave a guarantee of banking facilities granted to independent third parties amounting to HK\$7.09 million (as at 31st March 2006: HK\$7.69 million).

### EMPLOYEES

As at 31st March 2007, the Group had approximately 282 employees full time managerial, administrative and manufacturing employees. The Group affords competitive remuneration packages to its employees based on prevailing and industry practice and provides most of its employees in the PRC with rent-free quarters and messings. Compensation policies are reviewed regularly and are designed to reward and motivate productivity and performance.

On 25th September 2006, the Company has granted an employee share options to executive/non-executive directors and employees to enhance their contributions and continue services to the Company at subscription price of HK\$0.035 per share at a total of 281,000,000 shares options, represent 5.46% of the existing issued share capital of the Company and approximately 5.18% of the issued share capital of the Company as enlarged by the exercise of all options by the executive/non-executive directors and employees, which was determined by the Board of Directors of the Company pursuant to the Share Option Scheme adopted by the shareholders of the Company on 19th August 2003 and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, exercisable at any time during the period from 25th September 2006 to 24th March 2008 (the "Option Period"), both days inclusive, on the below conditions. Approximately HK\$1,785,000 has been charged to the income statement as the cost of share option for the period ended 31st March 2007. The fair value of total share options is HK\$3,597,000 which was valued by LCH (Asia-Pacific) Surveyors Limited.

### 或然負債

於二零零七年三月三十一日，本集團就向獨立第三方授出之銀行信貸達7,090,000港元（於二零零六年三月三十一日：7,690,000港元）提供擔保。

### 僱員

於二零零七年三月三十一日，本集團聘用約282名全職管理、行政及生產僱員。本集團根據現行業內慣例向僱員提供具競爭力之薪津，並向其中國大部份僱員提供免租宿舍及膳食設施。本公司定期檢討補償政策，旨在獎勵及激勵僱員之生產力及表現。

於二零零六年九月二十五日，本公司以每股0.035港元之認購價向執行／非執行董事及僱員授予僱員授出合共281,000,000份購股權以加強他們對公司之貢獻及持續服務，佔本公司現有已發行股本5.46%及本公司經執行／非執行董事及僱員行使所有購股權擴大後之已發行股本約5.18%。有關購股權由本公司董事會根據本公司股東於二零零三年八月十九日採納之購股權計劃及香港聯合交易所有限公司之證券上市規則授出，並可於二零零六年九月二十五日至二零零八年三月二十四日（包括首尾兩日）止期間（「購股權期間」）內隨時行使，其行使條件如下。大約1,785,000港元購股權費用在截止二零零七年三月三十一日之損益賬中入賬。總購股權之公平值3,597,000港元由獨立估值師利駿行測量師有限公司估值。



## 管理層討論及分析 Management Discussion and Analysis

Option Period 購股權有效期	Conditions 條件
25th September 2006 to 24th June 2007 二零零六年九月二十五日至 二零零七年六月二十四日	<ul style="list-style-type: none"><li>- 50% of the Option ("First Exercisable Option") can be exercised within this period</li><li>- 可於此期間內行使50%購股權（「首批可行使購股權」）；</li><li>- No transfer of the exercised Shares can be effect until after 24th June 2007</li><li>- 已行使股份直至二零零七年六月二十四日後方可轉讓</li><li>- Any outstanding portion of the First Exercisable Option will lapse after 24th June 2007</li><li>- 首批可行使購股權之任何尚未行使部份將於二零零七年六月二十四日後失效</li></ul>
25th June 2007 to 24th March 2008 二零零七年六月二十五日至 二零零八年三月二十四日	<ul style="list-style-type: none"><li>- Remaining 50% of the Option ("Second Exercisable Option") can be exercised</li><li>- 可行使餘下50%購股權（「第二批可行使購股權」）</li><li>- Exercised Shares in respect of 50% of the Second Exercisable Option cannot be transferred until after 24th October 2007</li><li>- 50%第二批可行使購股權之已行使股份直至二零零七年十月二十四日後方可轉讓；</li><li>- Exercised Shares in respect of the remaining 50% of the Second Exercisable Option cannot be transferred until after 24th March 2008</li><li>- 餘下50%第二批可行使購股權之已行使股份直至二零零八年三月二十四日後方可轉讓；.</li><li>- Any outstanding portion of the Second Exercisable Option will lapse after 24th March 2008</li><li>- 第二批可行使購股權之任何尚未行使部份將於二零零八年三月二十四日後失效</li></ul>



## 管理層討論及分析

### Management Discussion and Analysis

The valuation of the Share Options is based on the following conditions:-

- (i) The closing price of the Share immediately before the date on which the share options were granted was HK\$0.035 and the average closing price of the latest five trading days before the granted date was HK\$0.0344.
- (ii) The Company adopts the Black-Scholes OPM model to estimate the value of a share option. The fair value of share options was valued by an independent valuer namely as LCH (Asia-Pacific) Surveyors Limited.
- (iii) The fair value of the share options granted on 25 September 2006 was approximately HK\$3,597,000 according to the Black-Scholes OPM model with the following parameters, and is expenses over the respective vesting periods.
  - (a) Risk free interest rate per annum is 3.56% for the First Exercisable Option, 3.6% for 50% of the Second Exercisable Option and 3.62% for the remaining 50% of the Second Exercisable Option respectively (being the yield of 1 and 2 years HKMA exchange fund note/bill quoted at the date of valuation).
  - (b) Expected volatility is 100.45% per annum (being the Company's 180 days historical share prices before the date of valuation generated from Bloomberg).

購股權價值是根據如下條件:-

- (i) 股份在緊接購股權授出日期前之收市價為0.035港元，而在授出日期前最後五個交易日之平均收市價為0.0344港元。
- (ii) 本公司採用柏力克－舒爾斯期權定價模式估計購股權之價值。總購股權之公平值由獨立估值師利駿行測量師有限公司估值。
- (iii) 根據柏力克－舒爾斯期權定價模式及以下參數，於二零零六年九月二十五日授出之購股權之公平值約為3,597,000港元，並於相關歸屬期列支。
  - (a) 首批可行使購股權、50%之第二批可行使購股權及餘下50%之第二批可行使購股權之無風險利率分別為每年3.56%、3.6%及3.62%（即於估值日期報價之一年期及兩年期香港金管局外匯基金票據／債券之收益率）。
  - (b) 預期波幅為每年100.45%（即彭博所發佈本公司於估值日期前之180日歷史股價）。



## 管理層討論及分析 Management Discussion and Analysis

- (c) Indicated Option Value (HK\$ per share) is 0.0113 for the First Exercisable Option, 0.0133 for 50% of the Second Exercisable Option and 0.0153 for the remaining 50% of the Second Exercisable Option respectively.
- (d) Share Options will be exercised once transfer of shares is permitted.
- (e) Dividend yield: assume no dividend in the valuation (according to the past 3 years' financial data for equity securities)
- (iv) No share options was exercisable during the period ended 31st March 2007.
- (v) On 14th December 2006, the Company passed a resolution of Capital Reorganisation by the shareholders at the SGM involving (i) the capital reduction involves a reduction in the nominal value of each existing Share in issued and unissued of HK\$0.01 to HK\$0.005; (ii) the share consolidation will be implemented whereby 20 Existing Shares of HK\$0.005 each in the issued or unissued share capital of the Company resulting from the capital reduction will be consolidated into one consolidated Share of HK\$0.10. As a result, the share options subscription price need to be consolidated at HK\$0.70 per share at 15th December 2006.
- (c) 首批可行使購股權、50%之第二批可行使購股權及餘下50%之第二批可行使購股權之指示購股權價值（每股港元）分別為0.0113、0.0133及0.0153。
- (d) 於允許轉讓股份後，購股權即可行使。
- (e) 股息率假設估值中並無股息（根據本公司股本證券過去三年之財務數據）。
- (iv) 於截至二零零七年三月三十一日止期間概無可行使購股權。
- (v) 於二零零六年十二月十四日，本公司股東於股東特別大會通過一項股本重組決議案，當中涉及(i) 削減股本，涉及將每股已發行及未發行現有股份之面值由0.01港元削減至0.005港元；(ii) 將實行股份合併，據此，本公司已發行或未發行股本中因股本削減所產生之每20股每股面值0.005港元現有股份將合併為一股面值0.10港元之合併股份。因此，購股權認購價須於二零零六年十二月十五日合併為每股0.70港元。





## 管理層討論及分析

### Management Discussion and Analysis

As at 31st March 2007, the outstanding of Share Options of the Company are as follow:-

於二零零七年三月三十一日，未行使之購股權如下：—

	Number of Share Options to be offered 授予以購股權數目	Subscription Price per Share 每股認購價	Option Commencing 開始	Period Expiring 終結
<b>Executive Director</b>				
<b>執行董事</b>				
Mr. Tang Kuan Chien 唐貫健先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Tang Wei Lun 唐偉倫先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Lam Chi Yin Henry 林智然先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Cheung Ming Leung Denver <sup>1</sup> 張明良先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
<b>Non-executive Director</b>				
<b>獨立執行董事</b>				
Mr. Hung Shean-I 洪顯一先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Wong Nai Ping 黃乃平先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Au Kwok Yee Benjamin 歐國義先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Other employees 其他僱員	13,070,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Sub-total (B) 小計	14,050,000			

Note:

1. Resigned on 27th June 2007.

附註：

1. 於二零零七年六月二十七日辭任。



## 董事及高級管理人員簡介 Directors and Senior Management Profile

Directors during the year and up to the date of this Annual Report are as follows:

Mr. Tang Kuan Chien	Chairman, Executive Director
Mr. Tang Wei Lun	Executive Director
Mr. Andy Hsiao-An Yuan	Executive Director (Resigned on 12th February 2007)
Mr. Lam Chi Yin Henry	Executive Director
Mr. Cheung Ming Leung Denver	Executive Director (Resigned on 27th June 2007)
Mr. Ng Man Kin Kenneth	Executive Director (Appointed on 1st June 2007)
Mr. Hung Shean-I	Independent Non-Executive Director
Mr. Wong Nai Ping	Independent Non-Executive Director
Mr. Au Kwok Yee Benjamin	Independent Non-Executive Director

### DIRECTORS

Details of the Directors are as follows:

**Mr. Tang Kuan Chien**, aged 62, is responsible for the day to day management and operations of the Group. He joined the Group in August 1995 as President and has over 31 years of working experience in the plastics industry in Taiwan, Hong Kong and the PRC. He was appointed as Chairman on 18th December 1998.

**Mr. Tang Wei Lun**, aged 33, is the son of Mr. Tang Kuan Chien, the chairman and a substantial shareholder of the Company. He joined the Company in 2003. He obtained a Bachelor of Management from the University of Western Sydney, Australia. Prior to joining the company, Mr. Tang had worked in the banking industry in Australia for several years. He is currently the manager responsible for the supervision of the production and sales operation of the Group.

年內及直至本年報日期之董事如下：

唐貫健先生	主席·執行董事
唐偉倫先生	執行董事
Andy Hsiao-An Yuan先生	執行董事(於二零零七年二月十二日辭任)
林智然先生	執行董事
張明良先生	執行董事(於二零零七年六月二十七日辭任)
吳文健先生	執行董事(於二零零七年六月一日獲委任)
洪顯一先生	獨立非執行董事
黃乃平先生	獨立非執行董事
歐國義先生	獨立非執行董事

### 董事

董事之詳情載列如下：

**唐貫健先生**·62歲·負責本集團之日常管理及運作。彼於一九九五年八月加入本集團時已出任總裁一職·於台灣、香港及中國之塑膠業累積逾31年工作經驗。彼於一九九八年十二月十八日獲委任為主席。

**唐偉倫先生**·33歲·本公司主席及主要股東唐貫健先生之兒子。彼於二零零三年加入本公司。彼於澳洲University of Western Sydney取得工商管理學學士學位。加盟本公司前·唐先生曾於澳洲銀行業工作數年。目前·彼為監管本集團產銷業務之經理。



## 董事及高級管理人員簡介

### Directors and Senior Management Profile

#### DIRECTORS (Continued)

**Mr. Andy Hsiao-An Yuan**, age 59, graduated from the Air Force Institute of Technology and Taiwan Air Force Academy. He is currently the director of American ProImage Inc. and HXXD (USA) Science Technology Inc. which are private companies incorporated in the United States of America and are principally engaged in computer and industrial servers business and software development respectively. Mr. Yuan had acted as a director of two charitable organizations in the United States of America, namely, Zhi-Chi Foundation Association and Greater Irvine Lions Club. He is responsible for the exploiting new market in USA and market research and development. He left the Company on 12th February 2007.

**Mr. Lam Chi Yin Henry**, age 41, is a Certified Public Accountant in Hong Kong. He has over 11 years of experience in financial management and holds a Master degree in investment management from the Hong Kong University of Science & Technology. Mr. Lam worked at the senior management level of several securities companies which are listed on the Tokyo Stock Exchange, including Okasan International Asia Limited and Takagi Securities (HK) Ltd, a subsidiary of Nomura Securities Co. Ltd. He was the managing director of GOA Group (International) Limited and GOA Securities Limited. Mr. Lam was also the company secretary of a listed company in Hong Kong, namely Prime Investment Holdings Limited from February 2004 to May 2005. Mr. Lam is mainly responsible for the funds raising of the Group.

**Mr. Cheung Ming Leung Denver**, aged 46, joined the Group in September 2004 and responsible for the internal performance audit for the Group. He has worked in the finance field for over 18 years. He left the Company on 27th June 2007.

#### 董事 (續)

**Andy Hsiao-An Yuan**先生，59歲，畢業於台灣空軍航空機械學校及空軍軍官學校。彼現為American ProImage Inc.及HXXD (USA) Science Technology Inc.之董事，該兩家私人公司均於美國註冊成立，分別主要從事電腦及工業伺服器業務以及軟件開發業務。Yuan先生曾出任美國兩家慈善機構慈濟基金及爾灣獅子會董事。彼負責為本集團拓展美國之新市場及市場研究及發展。彼於二零零七年二月十二日辭任。

**林智然**先生，41歲，為香港執業會計師。彼於財務管理方面累積逾11年經驗。彼持有香港科技大學投資管理碩士學位。林先生曾於多家東京證券交易所上市證券公司出任高級管理人員，包括岡三國際(亞洲)有限公司及野村證券有限公司之附屬公司高木證券(香港)有限公司。彼曾任興亞集團(國際)有限公司及興亞證券有限公司之董事總經理。於二零零四年二月至二零零五年五月期間，林先生亦為香港上市公司Prime Investment Holdings Limited之公司秘書。林先生主要負責為本集團集資。

**張明良**先生，46歲，於二零零四年九月加盟本集團，並負責本集團內部業績審計方面之工作。彼於金融行業工作超過18年。彼於二零零七年六月二十七日辭任。



## 董事及高級管理人員簡介 Directors and Senior Management Profile

### DIRECTORS (Continued)

**Mr. Ng Man Kin Kenneth**, aged 32, joined the Group as a Group Assistant Finance and Accounting Manager since August 2004. He obtained a Bachelor of Commerce from the University of New South Wales, Australia. He is a qualified as a CPA Australia and an associate member of HKICPA in 2003 and 2004 respectively. Prior to joining the Group, he has over 4 years of experience in CPA firm in Hong Kong.

**Mr. Hung Shean-I**, aged 68, graduated from the Faculty of Chemical Engineering at Taiwan National Cheng Kung University and is presently the General Manager of Grand Team International Company, Limited in Taiwan. He was previously the General Manager of Huls Company Limited in Taiwan. He is now the Chairman of Rotary Club at Chaoyang, Taipei and a committee member of the International Rotary Club Fund Organization District 3480.

**Mr. Wong Nai Ping**, aged 56, was appointed as an independent non-executive director on 2nd March 2004. Mr. Wong is currently the Chairman of David and Winson Enterprises Pty. Ltd. He had previously held senior management positions and directorships in Hong Kong and multi-national companies. He is a trustee of the Hong Kong Liver Patients Assistance Fund. Mr. Wong is a Justice of Peace and the founding chairman of the Lions Club of 201N5 in Australia. In 2002, he was awarded the Medal of Centenary of Federation of Australia.

**Mr. Au Kwok Yee Benjamin**, aged 40, was appointed as an independent non-executive director on 30th September 2004. He graduated from the University of Hong Kong with a bachelor's degree in laws in 1991 and obtained a postgraduate certificate in laws in 1992. He is currently the Principal solicitor of Messrs. Benjamin Au & Co Solicitors. He has over 12 years of experience in commercial and corporate matters, civil and criminal litigations, intellectual property, commercial documents drafting and advice and employment matters and appeals.

### 董事 (續)

**吳文健先生**，32歲，自二零零四年八月加入本集團以來一直擔任集團副助理財務及會計經理，持有澳洲新南威爾斯大學商業學士學位，分別於二零零三年及二零零四年取得澳洲執業會計師及香港會計師公會會員資格。於加入本集團前，吳先生曾於香港執業會計師行工作逾四年。

**洪顯一先生**，68歲，畢業於台灣國立成功大學化學工程系，現為台灣圓登國際股份有限公司總經理。彼前為台灣Huls Company Limited之總經理，現為台北朝陽扶輪社會長以及3480區國際扶輪社基金會委員。

**黃乃平先生**，56歲，於二零零四年三月二日獲委任為獨立非執行董事。黃先生現為David and Winson Enterprises Pty. Ltd主席，之前曾於香港及多家跨國公司擔任高級管理及董事職位。彼為Hong Kong Liver Patients Assistance Fund信託人，亦為太平紳士及澳洲201N5獅子會創會主席。於二零零二年，彼獲頒澳洲聯邦立國百年勳章。

**歐國義先生**，40歲，於二零零四年九月三十日獲委任為獨立非執行董事。彼於一九九一年在香港大學畢業，取得法律學士學位，並於一九九二年取得法學專業證書。彼現時在歐國義律師行擔任高級律師，在商業及企業事務、民事及刑事訴訟、知識產權、商業文件草擬及諮詢以及勞工事務及糾紛方面積逾十二年經驗。



## 董事及高級管理人員簡介

### Directors and Senior Management Profile

#### SENIOR MANAGEMENT EXECUTIVES

The senior management executives of the Company for the financial year and up to the date of this Annual Report are as follows:

Mr. Chu Fungshih	Assistant Vice President
Mr. Chen Cheng Hsien	Assistant Vice President (Resigned on January 2007)
Mr. Mo Chi Wai	Group Purchasing Manager
Mr. Leung Chi Wing Billy	Group Chief Accountant

Details of the senior management executives are as follows:

**Mr. Chu Fungshih**, aged 65, rejoined the Group on 4th December 2003 as Assistant Vice President and has the overall responsibility over the Group's production management and product development. Mr. Chu has over 41 years of plastic industry experience in Taiwan, the PRC and other Southeast Asian countries. He was the project manager in setting up the Dongguan Bestway facility in 1991.

**Mr. Chen Cheng Hsien**, aged 59, joined the Group in 2004 as Assistant Vice President and has the overall responsibility over the administration management of Dongguan Best Faith Plastic Products Company Limited. Mr. Chen graduated from National Chengchi University and obtained EMBA master. He was previously the manager of Chang Hwa Commercial Bank Limited at Hong Kong and Taiwan Branch. He left the Company in January 2007.

#### 高級管理人員

本公司於本財政年度及直至本年報日期之高級管理人員如下：

朱逢時先生	助理副總裁
陳正賢先生	助理副總裁(於二零零七年一月辭任)
巫志偉先生	集團採購經理
梁志永先生	集團首席會計師

高級管理人員之詳情載列如下：

**朱逢時先生**，65歲，於二零零三年十二月四月重返本集團，出任助理副總裁，負責本集團生產管理及產品開發整體事務。朱先生於台灣、中國及其他東南亞國家的塑膠業積逾41年經驗。彼為於一九九一年開設東莞百威廠房之項目經理。

**陳正賢先生**，59歲，於二零零四年加盟本集團，出任助理副總裁，負責東莞百信塑膠製品有限公司一般行政事務。陳先生畢業於台灣政治大學，取得EMBA碩士學位。彼曾為彰化商業銀行香港及台灣分行之經理。彼於二零零七年一月辭任。



## 董事及高級管理人員簡介 Directors and Senior Management Profile

### SENIOR MANAGEMENT EXECUTIVES (Continued)

**Mr. Mo Chi Wai**, aged 41, is Group Purchasing Manager and Administration Manager of the Dongguan plants. Mr. Mo is a graduate of the National Taiwan University in 1991 with a Bachelor of Science Degree in Engineering. He joined the Group on 16th September 1991 and has since been working in managerial positions in different departments

**Mr. Leung Chi Wing Billy**, *FCCA, HKICPA*, aged 40, is the Financial Accounting Manager of the Group and is responsible for the overall supervision of the financial reporting and accounting functions of the Group. He joined the Group on 19th March 2001. Mr. Leung has over 18 years of experience in accounting and corporate finance. He is the Company Secretary of the Group.

### 高級管理人員 (續)

巫志偉先生，41歲，為東莞廠房的集團採購經理兼行政經理。巫先生於一九九一年畢業於國立台灣大學，獲頒工程學理學士學位。彼於一九九一年九月十六日加入本集團，其後一直於不同部門擔任管理職務。

梁志永先生，英國特許公認會計師公會資深會員及香港會計師公會會員，40歲，為集團總會計師負責本集團財務申報及會計事務的整體監督工作。彼於二零零一年三月十九日加入本集團。梁先生於會計及企業融資方面積累逾18年經驗。彼為本集團之公司秘書。



## 董事會報告

### Report of the Directors

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

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries consisted of the manufacture and trading of plastic products, including PVC films. There were no significant changes in the nature of the Group's principal activities during the year.

#### RESULTS

The Group's profit for the year ended 31 March 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 45 to 128.

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

#### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務包括塑膠產品之製造及貿易，包括膠布。本集團年內之主要業務性質並無重大改變。

#### 業績

本集團截至二零零七年三月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載於財務報表第45頁至第128頁。



## 董事會報告

## Report of the Directors

### SUMMARY FINANCIAL INFORMATION

The following is a summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate. This summary does not form a part of the audited financial statements.

### Results

### 財務資料概要

以下為過去五個財政年度本集團已公佈業績及資產、負債及少數股東權益之概要，該等資料摘錄自經審核財務報表，並已適當地重列／重新分類。此概要並不構成經審核財務報表之一部份。

### 業績

		Year ended 31 March 截至三月三十一日止年度				
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
REVENUE	收益	<b>300,334</b>	282,886	292,020	240,754	266,107
Profit/(loss) before tax	除稅前(虧損)/溢利	<b>(18,732)</b>	(1,603)	(15,518)	(7,969)	4,234
Tax	稅項	<b>34</b>	2,264	(105)	2,440	(248)
Profit/(loss) for the year from continuing operations	年度持續經營業務之(虧損)/溢利	<b>(18,698)</b>	661	(15,623)	(5,529)	3,986
Loss for the year from a discontinued operation	年度一項終止經營業務之虧損	-	-	(12,620)	(3,782)	(3,874)
Profit/(loss) for the year	年度(虧損)/溢利	<b>(18,698)</b>	661	(28,243)	(9,311)	112
Attributable to:	應佔:					
Equity holders of the Company	本公司權益持有人	<b>(18,398)</b>	599	(28,133)	(9,354)	104
Minority interests	少數股東權益	<b>(300)</b>	62	(110)	43	8
		<b>(18,698)</b>	661	(28,243)	(9,311)	112



# 董事會報告

## Report of the Directors

### SUMMARY FINANCIAL INFORMATION

(Continued)

### 財務資料概要 (續)

#### Assets, Liabilities and Minority Interests

#### 資產、負債及少數股東權益

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	31 March 三月三十一日 2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Property, plant and equipment	物業、廠房及設備	59,933	63,350	75,342	119,434	138,468
Prepaid land lease payments	預付土地租賃款項	3,942	4,082	4,236	9,000	9,250
Interests in jointly-controlled entities	佔共同控制 企業權益	–	4,002	8,491	15,272	15,112
Long term receivables/ long term investments	長期應收賬款/ 長期投資	2,643	2,698	2,866	3,150	3,150
Prepaid rentals	預付租金	–	2,098	4,254	6,410	8,606
Current assets	流動資產	127,586	89,971	88,926	91,687	97,498
<b>Total assets</b>	<b>總資產</b>	<b>194,104</b>	<b>166,201</b>	<b>184,115</b>	<b>244,953</b>	<b>272,084</b>
Current liabilities	流動負債	(106,446)	(87,387)	(96,231)	(118,316)	(132,203)
Long term portion of interest-bearing bank and other borrowings	計息銀行及 其他借貸之 長期貸款	(10,571)	(12,754)	(31,084)	(70,934)	(75,433)
Long term portion of loan from a shareholder	欠一名股東貸款之 長期貸款	–	–	(22,500)	–	–
Long term portion of finance lease payables	應付融資租約之 長期部份	–	–	–	(1,345)	(2,694)
Convertible bonds	可換股債券	–	–	(40,692)	(72,865)	(70,259)
<b>Total liabilities</b>	<b>負債總額</b>	<b>(117,017)</b>	<b>(100,141)</b>	<b>(190,507)</b>	<b>(263,460)</b>	<b>(280,589)</b>
Minority interests	少數股東權益	(4,259)	(4,562)	(4,431)	(11,984)	(13,216)
		<b>72,828</b>	<b>61,498</b>	<b>(10,823)</b>	<b>(30,491)</b>	<b>(21,721)</b>



## 董事會報告

### Report of the Directors

#### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

#### SHARE CAPITAL, SHARE OPTION SCHEME AND CONVERTIBLE BONDS

Details of the movements in the share capital, share option schemes and convertible bonds of the Company during the year, together with the reasons therefor, are set out in notes 30, 31 and 29 to the financial statements.

#### PRE-EMPTIVE RIGHTS

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

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

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

#### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 32(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

#### DISTRIBUTABLE RESERVES

At 31 March 2007, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Bermuda Companies Act 1981, the Company's contributed surplus of HK\$159,393,000 is currently not available for distribution. The Company's share premium account in the amount of HK\$14,610,000 may be distributed in the form of fully paid bonus shares.

#### 物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註14。

#### 股本、購股權計劃及可換股債券

本公司年內之股本、購股權計劃及可換股債券變動詳情連同其原因，分別載於財務報表附註30、31及29。

#### 優先購買權

本公司之章程細則或百慕達法例均無條文規定本公司須按持股量比例向本公司現有股東發行新股之優先購買權。

#### 購買、贖回或出售本公司上市證券

本公司或其任何附屬公司概無於年內購買、贖回或出售任何本公司上市證券。

#### 儲備

本公司及本集團於本年內之儲備變動詳情分別載於財務報表附註32(b)及綜合權益變動表。

#### 可分派儲備

於二零零七年三月三十一日，本公司並無可供現金分派及／或實物分派之保留溢利。根據一九八一年百慕達公司法（經修訂），本公司之實繳盈餘159,393,000港元現時並不可供分派，本公司之股份溢價賬14,610,000港元可按繳足紅股之形式作分派。



## 董事會報告

### Report of the Directors

#### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 49% (2006: 58%) of the total sales for the year and sales to the largest customer included therein amounted to 24% (2005: 31%). Purchases from the Group's five largest suppliers accounted for 64% (2006: 67%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 21% (2006: 30%).

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

#### DIRECTORS

The directors of the Company during the year and up to the date of this report were:

##### Executive directors:

Mr. Tang Kuan Chien  
Mr. Tang Wei Lun  
Mr. Lam Chi Yin Henry  
Mr. Cheung Ming Leung Denver (resigned on 27th June 2007)  
Mr. Andy Hsiao-An Yuan (resigned on 12th February 2007)  
Mr. Ng Man Kin Kenneth (appointed on 1st June 2007)

##### Independent non-executive directors:

Mr. Hung Shean-I  
Mr. Wong Nai Ping  
Mr. Au Kwok Yee Benjamin

#### 主要客戶及主要供應商

於回顧年度內，向本集團五大客戶作出之銷售額佔本年度銷售總額49%（二零零六年：58%），其中向最大客戶作出之銷售額則佔24%（二零零五年：31%）。本集團向五大供應商購貨之採購額佔本年度採購總額64%（二零零六年：67%），其中向最大供應商購貨之採購額則佔21%（二零零六年：30%）。

年內，本公司各董事或彼等之任何聯繫人士或任何就董事所知擁有本公司已發行股本5%以上之股東概無於本集團五大客戶或五大供應商中擁有任何實益權益。

#### 董事

本公司本年度及截至本報告刊發日期之董事載列如下：

##### 執行董事：

唐貫健先生  
唐偉倫先生  
林智然先生  
張明良先生 (於二零零七年六月二十七日辭任)  
Andy Hsiao-An Yuan先生 (於二零零七年二月十二日辭任)  
吳文健先生 (於二零零七年六月一日獲委任)

##### 獨立非執行董事：

洪顯一先生  
黃乃平先生  
歐國義先生



## 董事會報告

### Report of the Directors

#### DIRECTORS (Continued)

In accordance with clauses 86(2) and 87 of the Company's bye-laws, Mr. Tang Wei Lun, Mr. Ng Man Kin Kenneth and Mr. Au Kwok Yee Benjamin will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Hung Shean-I, Mr. Wong Nai Ping and Mr. Au Kwok Yee Benjamin, and as at the date of this report still considers them to be independent.

#### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 17 to 21 of the annual report.

#### DIRECTORS' SERVICE CONTRACTS

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

#### DIRECTORS' REMUNERATION

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

#### DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

#### 董事 (續)

按照本公司章程細則第86(2)及87條，唐偉倫先生、吳文健先生及歐國義先生於應屆股東週年大會上依章告退，惟彼等均願膺選連任。

本公司已取得洪顯一先生、黃乃平先生及歐國義先生之年度獨立性確認書，於本報告刊發日期，彼等一直被視為獨立人士。

#### 董事及高級管理人員簡介

本公司董事及本集團高級管理人員簡介載於年報第17頁至第21頁。

#### 董事之服務合約

在即將舉行之股東週年大會上獲提名連任之董事概無與本公司及任何其附屬公司訂立任何不可由本公司於一年內終止而毋須作出補償（法定賠償除外）之服務合約。

#### 董事酬金

董事袍金須於週年大會上提交股東批准，並參照本集團薪酬委員會之建議。其他薪酬乃由本公司董事會參照董事工作、職責及本集團之表現及業績而釐定。

#### 董事於合約中之權益

年內，各董事於本公司或其任何附屬公司所訂立對本集團業務有重大影響之合約中概無重大權益。

## 董事會報告

### Report of the Directors

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

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

#### Long positions in the Shares:

*Number of shares held, capacity in which Shares are held and nature of interest:*

#### 董事於股份、相關股份及債券之權益及短倉

於二零零七年三月三十一日，誠如本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊記錄，或根據上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」），董事於本公司或其聯營公司（定義見證券及期貨條例第XV部）股本之權益如下：

#### 於本公司普通股之長倉：

*持有股份數目、身份及權益性質*

Name of director		Directly beneficially owned	Through Shares of Share Options	Through controlled corporation	Total	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
董事姓名		直接實質擁有	持有購股權	透過控制公司	合計	
Tang Kuan Chien 唐貫健	Executive Director 執行董事	4,801,050	140,000	59,315,132 <sup>1</sup>	64,256,182	16.65
Tang Wei Lun 唐偉倫	Executive Director 執行董事	2,250,000	140,000	–	2,390,000	0.60
Lam Chi Yin Henry 林智然	Executive Director 執行董事	–	140,000	–	140,000	0.04
Cheung Ming Leung 張明良	Executive Director 執行董事	6,300,000	140,000	–	6,440,000	1.67
Wong Nai Ping 黃乃平	Independent non-executive Director 獨立非執行董事	388,650	140,000	–	528,650	0.14
Hung Shean-I 洪顯一	Independent non-executive Director 獨立非執行董事	450,000	140,000	–	590,000	0.15
Au Kwok Yee Benjamin 歐國義	Independent non-executive Director 獨立非執行董事	–	140,000	–	140,000	0.04



## 董事會報告

## Report of the Directors

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

1. The corporate interest Shares are held as to 20,152,375 Shares by Bestway Development Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Tang Kuan Chien, and as to 39,162,757 Shares by Best Online Limited, a company incorporated in the British Virgin Islands and wholly-owned by Ms. Wang Ya Chin, the spouse of Mr. Tang Kuan Chien.

In addition to the above, Mr. Tang Kuan Chien has non-beneficial personal equity interests in certain subsidiaries held in trust for the benefit of the Company.

Save as disclosed above, none of the Directors or chief executive of the Company and their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### 董事於股份、相關股份及債券之權益及短倉 (續)

附註:

1. 公司權益股份乃由Bestway Development Limited (於英屬處女群島註冊成立之公司·由唐貫健先生全資擁有) 持有 20,152,375股·其中 39,162,757股股份由Best Online Limited (於英屬處女群島註冊成立之公司·由唐先生之配偶王雅清女士全資擁有) 持有。

除上述者外·唐貫健先生於若干附屬公司擁有非實益個人股本權益·為本公司利益以信託形式持有·僅為遵守最少公司股東規定。

除上文所披露者外·董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中·擁有根據證券及期貨條例第XV部第7及第8分部(包括根據證券及期貨條例該等規定當作或視作擁有之權益及淡倉)須知會本公司及聯交所之權益·或遵照證券及期貨條例第352條須載入該條文所述本公司存置之登記冊之權益·或根據上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益。

## 董事會報告

# Report of the Directors

### SUBSTANTIAL SHAREHOLDERS

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

#### Long positions:

Name		Notes	Number of ordinary shares held	Percentage of the Company's issued share capital
姓名		附註	所持有普通股數目	佔本公司已發行股本百分比
Ms. Wang Ya Chin	王雅清女士	(a)	64,256,182	16.65
Best Online Limited	Best Online Limited	(b)	39,162,757	10.15
Bestway Development Limited	Bestway Development Limited	(b)	20,152,375	5.22

Notes:

- (a) The interests of Ms. Wang Ya Chin include the 39,162,757 shares held by Best Online Limited, being the personal and corporate interests of Mr. Tang Kuan Chien, as disclosed under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above.
- (b) These interests are also included as a corporate interest of Mr. Tang Kuan Chien as disclosed under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above.

Save as disclosed above, as at 31 March 2007, no person other than the directors of the Company whose interests are set out under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares, underlying shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### 主要股東

於二零零七年三月三十一日，按本公司根據證券及期貨條例第336條保存之權益登記冊所載，擁有本公司已發行股本5%或以上權益之股東載列如下：

#### 長倉：

	Notes	Number of ordinary shares held	Percentage of the Company's issued share capital
	附註	所持有普通股數目	佔本公司已發行股本百分比
	(a)	64,256,182	16.65
	(b)	39,162,757	10.15
	(b)	20,152,375	5.22

附註：

- (a) 王雅清女士之權益包括Best Online Limited所持有之39,162,757股股份及唐貫健先生之公司權益，已於上文「董事於股份、相關股份及債券之權益及短倉」一節中披露。
- (b) 此等權益亦已於上文「董事於股份、相關股份及債券之權益及短倉」一節中披露，為唐貫健先生之公司權益。

除上文所披露者外，於二零零七年三月三十一日，除其權益載於上文「董事於股份、相關股份及債券之權益及短倉」一節之本公司董事外，概無任何人仕須根據證券及期貨條例第336條登記於本公司股份、相關股份及債券中之權益或短倉盤。



## 董事會報告

### Report of the Directors

#### SUFFICIENCY OF PUBLIC FLOAT

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

#### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the directors of the Company or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

#### CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the accounting period covered by the annual report, except for certain deviations, please refer to the Corporate Governance Report on pages 33 to 41 of the annual report.

#### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors confirmed that they have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

#### 足夠之公眾持股量

根據本報告刊發日期可以得悉，而董事亦知悉之公開資料，本公司已發行股本總數中之最少25%乃由公眾持有。

#### 董事於競爭業務之權益

除本集團業務外，董事及彼等各自之聯繫人士概無於任何與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益。

#### 企業管治

董事認為，本公司已於年報所涵蓋之整個會計期間內遵守聯交所證券上市規則（「上市規則」）附錄14中之《企業管治常規守則》（「守則」），惟若干偏離者除外，請參閱年報第33頁至第41頁之企業管治報告。

#### 證券交易之標準守則

本公司已採納標準守則作為董事買賣本公司證券之標準。根據向本公司董事所作出之特定查詢，董事確認彼等已於年報所涵蓋之整個會計期間內遵守標準守則所載規定。





## 董事會報告

### Report of the Directors

#### AUDIT COMMITTEE

The Company has an audit committee which was established in April 1999 and in compliance with Rules 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

#### POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 39 to the financial statements.

#### AUDITORS

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

ON BEHALF OF THE BOARD

**Tang Kuan Chien**

*Chairman*

Hong Kong  
18th July 2007

#### 審核委員會

本公司已遵照上市規則第3.21條於一九九九年四月成立審核委員會，以審視及監督本集團之財務報告程序及內部控制。審核委員會由本公司三位獨立非執行董事組成。

#### 結算日後事項

本集團結算日後重大事項載於財務報表附註39。

#### 核數師

華利信會計師事務所任滿告退。本屆股東週年大會將提出決議案重新委任安永會計師事務所為本公司之核數師。

代表董事會

主席

**唐貫健**

香港  
二零零七年七月十八日



## 企業管治報告

# Corporate Governance Report

The Board of directors (“Board”) is committed to maintaining statutory and regulatory standards and adherence to the principle of corporate governance with emphasis on transparency, independence, accountability and responsibility. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Stock Exchange of Hong Kong Limited (“Stock Exchange”) has issued Appendix 14 of the Rules Governing the listing of securities (the “Listing Rules”) relating to “The Code on Corporate Governance Practices (the “CG Codes”) for the listed company to comply with. In the opinion of the directors, the Company has complied with CG Codes throughout the year, except for the deviations from the CG Codes provision A.2.1 relating to the separation roles of chairman and chief executive officer and the roles should not be performed by the same individual, which are explained in the following paragraphs:

## THE BOARD

### Responsibilities

The overall management of the Company’s business is vested in the Board, which assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Company.

The Board reserves for its decisions all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions, financial information, appointment of directors and other significant financial and operational matters.

董事會（「董事會」）致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明、獨立、問責及負責。為了達到與公司有相關利益者對企業管治水平不斷提升之期望，以及符合日趨嚴謹之法規要求，以及履行其良好企業管治之承諾，董事會將不時檢討本公司之企業管治守則。

上市公司須遵守香港聯合交易所有限公司（「聯交所」）發出之證券上市規則附錄14之《企業管治常規守則》（「企業管治守則」）。董事認為本公司全年一直遵守企業管治守則，惟偏離守則條文A.2.1有關主席及行政總裁之角色區分，此等角色不應由一人同時兼任，偏離詳情於下段說明。

## 董事會

### 職責

本公司之整體業務由董事會負責管理。董事會負責本公司之領導及監控，並對本公司之成功負共同責任。全體董事均客觀就本公司利益作出決定。

董事會保留就本公司所有重要事項作出決策之權力，包括批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易、財務資料、委任董事及其他重大財務及營運事宜。



## 企業管治報告

# Corporate Governance Report

### THE BOARD *(Continued)*

#### Composition

The Board currently comprises the following directors

**Executive directors:**

Mr. Tang Kuan Chien (*Chairman*)

Mr. Tang Wei Lun

Mr. Lam Chi Yin Henry

Mr. Ng Man Kin Kenneth

**Independent non-executive directors:**

Mr. Hung Shean-I

Mr. Wong Nai Ping

Mr. Au Kwok Yee Benjamin

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

There is no relationship among the current members of the Board except for the family relationship between Mr. Tang Kuan Chien and Mr. Tang Wei Lun. Mr. Tang Wei Lun is the son of Mr. Tang Kwan Chien. Biographical details of the Directors are set out in the section headed "Director and Senior Management" on page 17 to 21 of the annual report.

### 董事會 (續)

#### 組成

本公司董事會現時由以下董事組成：

**執行董事：**

唐貫健先生 (主席)

唐偉倫先生

林智然先生

吳文健先生

**獨立非執行董事：**

洪顯一先生

黃乃平先生

歐國義先生

上列董事 (按類別計) 亦於本公司根據上市規則不時發出之所有企業通訊披露。

除唐貫健先生及唐偉倫先生為親屬關係外，現有董事間概無關係。唐偉倫先生為唐貫健先生之子。董事簡介載列於本年報第17頁至第21頁「董事及高級管理人員」中披露。



## 企業管治報告 Corporate Governance Report

### THE BOARD (Continued)

#### Board Meetings

All Directors are regularly updated on governance and regulatory matters. There is a procedure to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the expense of the Company in order to discharge of their duties.

During the year, four regular and three irregular board meetings were held. Notice of at least 14 days has been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular and irregular board meetings are sent out in full to all directors within reasonable time before the meeting. Minutes of board meetings are kept by duly appointed secretaries of the respective meetings and record in sufficient detail the matters considered by the board and decision reached and sent to all directors for their comment and records respectively within a reasonable time after the board meeting was held.

All directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

### 董事會 (續)

#### 董事會會議

全體董事均定期獲得有關管治及監管事宜之更新資訊。董事可根據程序，按合理要求於合適情況下尋求獨立意見，以協助履行其於本公司之職責，有關費用由本公司支付。

年內，董事會召開了四次定期董事會會議及三次臨時董事會會議。就董事會所有定期會議，全體董事均獲給予最少十四天通知，如有需要，董事可將討論事項納入有關議程。董事會定期及臨時會議之議程及附連之董事會文件在開會前一段合理時間內派發予所有董事。董事會之會議紀錄由獲委任之秘書備存，詳列會議上董事會所考慮事項及達致之決定，並於董事會會議結束後合理時間內送交全體董事，供董事表達意見及紀錄之用。

全體董事均有權查閱董事會之文件及有關資料，並會及時獲得充分資料，確保董事會可就提呈會議之事項作出知情決定。

## 企業管治報告

# Corporate Governance Report

### THE BOARD (Continued)

#### Independent Non-Executive Directors

All the Independent Non-Executive Directors of the Company have been appointed for a specific terms and are subject to retirement by rotation and re-election in accordance with the Company Articles of Association.

The Company has a formal, considered and transparent procedure for the appointment of new directors to the board and all directors should be subject to re-election at regular intervals. Upon the resignation of a director, we made an announcement publicly and explain the reasons for the resignation.

The number of full Board Meetings and Committee Meetings attended by each Director during the year under review is set out in the following table. Figure in brackets indicates maximum number of meetings in the period in which the individual was a Board member or Committee member.

Name of Director	Note	Full Board Meetings 全體 董事會會議	Audit Committee Meetings 審核 委員會會議	Remuneration Committee Meetings 薪酬 委員會會議	Nomination Committee Meetings 提名 委員會會議
<i>Executive Directors</i> 執行董事					
Mr. Tang Kuan Chien	唐貫健先生	7/(7)	N/A不適用	N/A不適用	N/A不適用
Mr. Tang Wei Lun	唐偉倫先生	7/(7)	N/A不適用	N/A不適用	1/(1)
Mr. Andy Hsiao-An Yuan	Andy Hsiao-An Yuan先生	0/(7)	N/A不適用	N/A不適用	N/A不適用
Mr. Lam Chi Yin Henry	林智然先生	6/(7)	N/A不適用	N/A不適用	N/A不適用
Mr. Cheung Ming Leung Denver	張明良先生	4/(7)	N/A不適用	N/A不適用	N/A不適用
Mr. Ng Man Kin Kenneth	吳文健先生	N/A	N/A不適用	N/A不適用	N/A不適用
<i>Independent Non-executive Directors</i> 獨立非執行董事					
Mr. Hung Shean-I	洪顯一先生	3/(7)	2/(2)	N/A不適用	1/(1)
Mr. Wong Nai Ping	黃乃平先生	6/(7)	2/(2)	N/A不適用	1/(1)
Mr. Au Kwok Yee Benjamin	歐國義先生	5/(7)	2/(2)	N/A不適用	N/A不適用

Note:

- 1 Mr. Andy Hsiao-An Yuan resigned on 12th February 2007.
- 2 Mr. Ng Man Kin Kenneth was appointed on 1st June 2007.
- 3 Mr. Cheung Ming Leung Denver resigned on 27th June 2007.

### 董事會 (續)

#### 獨立非執行董事

根據本公司細則條文，全體獨立非執行董事均未按特定任期委任，並須輪席退任及接受重選。

本公司已制訂正式、周詳而透明度高的新董事委任程序，所有董事均須定期重選。董事辭任時，本公司須作出公佈並解釋辭任理由。

各董事於回顧年內出席之全體董事會會議及委員會會議次數載於下表。括弧內之數字指該人士擔任董事會成員或委員會成員期內所舉行之會議數目。

Full Board Meetings 全體 董事會會議	Audit Committee Meetings 審核 委員會會議	Remuneration Committee Meetings 薪酬 委員會會議	Nomination Committee Meetings 提名 委員會會議
<i>Executive Directors</i> 執行董事			
7/(7)	N/A不適用	N/A不適用	N/A不適用
7/(7)	N/A不適用	N/A不適用	1/(1)
0/(7)	N/A不適用	N/A不適用	N/A不適用
6/(7)	N/A不適用	N/A不適用	N/A不適用
4/(7)	N/A不適用	N/A不適用	N/A不適用
N/A	N/A不適用	N/A不適用	N/A不適用
<i>Independent Non-executive Directors</i> 獨立非執行董事			
3/(7)	2/(2)	N/A不適用	1/(1)
6/(7)	2/(2)	N/A不適用	1/(1)
5/(7)	2/(2)	N/A不適用	N/A不適用

附註:

- 1 Andy Hsiao-An Yuan先生於二零零七年二月十二日辭任。
- 2 吳文健先生於二零零七年六月一日獲委任。
- 3 張明良先生於二零零七年六月二十七日辭任。



## 企業管治報告 Corporate Governance Report

### THE BOARD (Continued)

#### Chairman and Chief Executive

CG Codes provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Mr. Tang Kuan Chien is the Chairman of the Board and also serves the function of a Chief Executive. The Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will be looking for a suitable Chief Executive Officer to fulfill the CG Codes.

#### Remuneration Committee

The Company has set up a Remuneration Committee to ensure that there are formal and transparent procedures for setting policies on the remuneration of Directors and senior management. The Remuneration Committee comprises the Mr. Wong Nai Ping, Mr. Hung Shean-I and Mr. Tang Wei Lun. The Remuneration Committee is chaired by Mr. Wong Nai Ping.

During the year, no Remuneration Committee meeting was held.

### 董事會 (續)

#### 主席及行政總裁

守則條文第A.2.1條訂明主席與行政總裁之角色應有區分，並不應由一人同時兼任。唐貫健先生為董事會主席兼行政總裁。董事會相信現時之安排令本公司能及時作出及執行決策，致使本公司在多變之環境下仍能有效率地達成本公司之目標。董事會亦相信本公司已擁有強大之企業管治架構，可有效地監督管理層。董事會正物色一名合適之行政總裁，以遵守守則條文第A.2.1條。

#### 薪酬委員會

本公司已成立薪酬委員會，以確保在制定董事及高級管理人員薪酬之政策上有正式及透明之程序。薪酬委員會由黃乃平先生、洪顯一先生及唐偉倫先生組成，並由黃乃平先生擔任薪酬委員會主席。

年內沒有召開次薪酬委員會會議。



## 企業管治報告

# Corporate Governance Report

### THE BOARD *(Continued)*

#### Nomination Committee

The Company has set up a Nomination Committee to ensure fair and transparent procedures for appointment, re-election and removal of Directors to the Board. The Nomination Committee comprises Mr. Wong Nai Ping, Mr. Hung Shean-I and Mr. Tang Wei Lun. The Nomination Committee is chaired by Mr. Wong Nai Ping.

During the year, one Nomination Committee meeting was held to nominate Mr. Ng Man Kin, Kenneth as an executive director of the Company. At present, the Committee is looking for a suitable Chief Executive Officer to fulfill the CG Codes A.2.1 Provision requirement.

#### Audit Committee

The Audit Committee comprises Mr. Wong Nai Ping, Mr. Hung Shean-I and Mr. Au Kwok Yee, Benjamin. The Audit Committee is chaired by Mr. Hung Shean-I.

The principal duties of the Audit Committee are considered significant accounting policies used to prepare the statements, and any changes to them, and significant estimates or judgements on which the statements have been based, taking the external auditors' views into consideration, consider the clarity and completeness of the disclosures in the financial statements. During the year, two Audit Committee meetings were held, reviewing the financial reporting matters of the Group. The terms of reference of the Audit Committee are consistent with the terms set out in relevant section of the Corporate Governance Code.

All the members of the Audit Committee are confirmed to be independence with reference to Rule 3.13 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 董事會 (續)

#### 提名委員會

本公司已成立提名委員會，以確保在委任、重選及罷免董事之事宜有公平及透明之程序。提名委員會由黃乃平先生、洪顯一先生及唐偉倫先生組成，並由黃乃平先生擔任提名委員會主席。

年內曾召開了一次提名委員會會議。提名吳文健先生為本公司之執行董事。現時委員會正物色一名合適之行政總裁，以遵守守則條文第A.2.1條之規定。

#### 審核委員會

審核委員會由黃乃平先生、洪顯一先生及歐國義先生組成，並由洪顯一先生擔任審核委員會主席。

審核委員會之主要職責包括審閱編制財務報表之重要會計政策及其任何變動、財務報表根據之重要評估及判斷、參考外聘核數師之意見及審閱財務報表所披露之清晰及完整程度。年內曾召開了兩次審核委員會會議，以審閱本集團之財務申報事宜。審核委員會之職權範圍與企業管治守則有關部分載之條文一致。

參照香港聯合交易所有限公司之證券上市規則第3.13條，審核委員會全體委員確認為獨立。



## 企業管治報告 Corporate Governance Report

### THE BOARD (Continued)

#### Model Code For Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2007.

To comply with the code provisions A.5.4 of the CG codes, the Company has also established and adopted the Model Code as the code of conduct for securities transactions by senior management to regulate the dealings in the securities of the Company by senior management of the Group who are considered to be likely in possession of unpublished price sensitive information of the Company.

#### DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The directors acknowledge their responsibilities for the preparation of financial statements of the Company for the year ended 31 March 2007. In preparing the financial statement, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis. Respective responsibilities of the Directors and the external auditors to the shareholders are set out in the "Report of the Auditors" on page 42 to page 128 of this report .

### 董事會 (續)

#### 證券交易之標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)。

經向全體董事作出特定查詢,董事確認彼等已於二零零七年三月三十一日止年度遵守標準守則所載規定。

為遵守企業管治守則守則條文第A.5.4條,本公司亦已設定及採納標準守則為高級管理人員進行證券交易的操守守則,以規管本集團被認為可能會擁有本公司未公開之股價敏感資料之高級管理人員買賣本公司之證券。

#### 董事及核數師對賬目之責任

董事知悉彼等編製本公司截至二零零七年三月三十一日止年度財務報表之責任。董事於編製財務報表時已揀選及貫徹應用合適會計政策,並作出審慎及合理之判斷及估計,採納持續經營基準編製有關賬目。董事及外聘核數師向股東所負之責任載列於本年報的「核數師報告」第42頁至第128頁。





## 企業管治報告

### Corporate Governance Report

#### **DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS** *(Continued)*

##### **Auditor's remuneration**

During the year, Morison Heng CPA was appointed as the external auditors of the Company following the resignation of Ernst & Young. Morison Heng CPA has provided audit services to the Group in respect of 2007 financial statements of the Company and its subsidiaries at the fee of HK\$500,000 and accountant report relating to the right issues of the Shares of the Company at the fee of HK\$80,000.

##### **Internal Control**

The Board of Directors is responsible for the establishing and maintaining a sound system of internal control within the Group. However, such a system was designed to manage various risks of the Group within certain acceptable risk level, rather than the complete elimination of the risk of failure to achieve the business objectives of the Group.

The current Board has already commenced an assessment and review of the internal control system of the Company and will take appropriate action to maintain an adequate internal control system to safeguard shareholders' investments and the Company's assets, and review the effectiveness of such on an annual basis through the Audit Committee.

#### **董事及核數師對賬目之責任** *(續)*

##### **核數師酬金**

年內安永會計師事務所辭任後，華利信會計師事務所獲委任為本公司外聘核數師。華利信會計師事務所已分別就本公司及其附屬公司二零零七年財務報表以及有關本公司供股之會計師報告提供核數服務，相關費用分別為500,000港元及80,000港元。

##### **內部監控**

董事會負責為本集團建立及維持健全之內部監控系統。然而，該系統之設計只為於可接受之風險範圍內管理本集團之風險，而並不能消除令本集團業務目標失敗之風險。

現時董事會已開始評核及檢討本公司之內部監控系統，維持充分之內部監控系統，以保障股東投資及本公司資產，並每年由審核委員會檢討其有效程度。



## DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS (Continued)

### Communication with shareholders

The Group strives to disclose relevant information on its activities to shareholders in an open and timely manner. Communication is achieved through:

- (1) The Company's annual and interim reports which have been enhanced to present a balance, clear and comprehensive assessment of the Group position and prospects.
- (2) Notices of annual and other general meetings and accompanying explanatory materials
- (3) Press releases on major acquisition
- (4) Disclosures to Stock Exchange and relevant regulatory bodies
- (5) Response to inquiries from shareholders by Directors during the Annual General meeting

### Constructive use of Annual General Meetings

The relations with shareholders should be maintained through constructive use of annual general meeting. We are encouraging shareholders to attend at the annual general meeting, giving shareholders an opportunity to ask questions and to hear about the company during the meeting and an opportunity to use their vote and greater openness in voting procedures at the annual general meeting. Our executive directors and responsible person of Audit Committee, Nomination Committee and Remuneration Committee will answer the questions raised by the shareholders. Annual report and related papers are post to shareholders for their consideration at least 21 days prior to the Annual General Meeting. Annual General Meeting proceedings are continually reviewed in the light of corporate governance best practices.

## 董事及核數師對賬目之責任 (續)

### 與股東溝通

本公司致力將其業務之有關資訊，以公開及迅速之方法向股東披露。溝通經以下途徑達致：

- (1) 本公司已改進其年報及中期報告，對本集團的現況及前景呈列一個持平、清晰及全面之評估。
- (2) 於年度及其他股東會議通知內附上解釋性資料。
- (3) 為本集團的主要收購事項發出新聞公佈。
- (4) 向聯交所及相關監管機構披露。
- (5) 於股東週年大會上，由董事回應股東之查詢。

### 積極運用股東週年大會

本集團透過股東週年大會積極維繫與股東之關係。本集團鼓勵股東出席股東週年大會，為股東提供查詢及聆聽有關本公司事項之機會，並於股東週年大會行使其投票權，投票程序亦更為透明。本集團之執行董事及審核委員會、提名委員會及薪酬委員會之負責人士將回答股東之查詢。年報及有關文件已於股東週年大會舉行前最少21天前寄發予股東參考。股東週年大會之程序將繼續根據企業管治最佳慣例檢討。



## 獨立核數師報告書

### Independent Auditors' report



#### To the Shareholders of

#### Bestway International Holdings Limited

*(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Bestway International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 128, which comprise the consolidated and the company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated 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.

#### 百威國際控股有限公司

*(於百慕達註冊成立之有限公司)*

#### 各股東

本核數師(以下簡稱「我們」)已審核列載於第45至128頁之百威國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。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、綜合股東權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔的責任

貴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香港《公司條例》的披露規定編製及真實而公平地列報該等財務報表。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之重大錯誤陳述;選擇和應用適當之會計政策;及按情況作出合理的會計估計。



## 獨立核數師報告書 Independent Auditors' report

### 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 Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

### 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條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負責或承擔責任。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，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合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綜合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之會計估計的合理性，以及評價綜合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充足和適當地為我們的審核意見提供基礎。



## 獨立核數師報告書

### Independent Auditors' report

#### 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 loss and cash flows of the Group 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.

#### Morison Heng

*Chartered Accountants*

*Certified Public Accountants*

Hong Kong: 18 July 2007

#### 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 貴公司及 貴集團於二零零七年三月三十一日的財務狀況及 貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

#### 華利信會計師事務所

香港，二零零七年七月十八日



## 綜合收益賬

### 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

		Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
Revenue	收益	6	300,334	282,886
Cost of sales	銷售成本		(284,494)	(260,773)
<b>Gross profit</b>	<b>毛利</b>		<b>15,840</b>	22,113
Other income	其他收益	6	1,490	690
Gain arising on write-off of indebtedness	撇銷債務產生之收益		-	11,100
Selling and distribution costs	銷售及分銷成本		(4,404)	(3,436)
Administrative expenses	行政開支		(23,145)	(20,805)
Other operating expenses, net	其他經營開支淨額		(4,643)	(7,619)
Finance costs	財務成本	8	(3,870)	(3,922)
Share of profits and losses of jointly-controlled entities	所佔共同控制企業溢利及虧損		-	276
<b>Loss before taxation</b>	<b>除稅前虧損</b>	7	<b>(18,732)</b>	(1,603)
Taxation	稅項	11	34	2,264
<b>(Loss)/Profit for the year</b>	<b>本年(虧損)/溢利</b>		<b>(18,698)</b>	661
<b>Attributable to:</b>	<b>歸屬於:</b>			
Equity holders of the Company	本公司股權持有人	12	(18,398)	599
Minority interests	少數股東權益		(300)	62
			<b>(18,698)</b>	661
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司股權持有人應佔每股(虧損)/盈利	13		
<b>Basic</b>	<b>基本</b>			
- For (loss)/profit for the year	- 本年(虧損)/溢利		<b>(6.19 cent 港仙)</b>	0.01 cent 港仙
<b>Diluted</b>	<b>攤薄</b>		<b>N/A 不適用</b>	N/A 不適用



# 綜合資產負債表

## Consolidated Balance Sheet

於二零零七年三月三十一日 At 31 March 2007

		Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	59,933	63,350
Prepaid lease payments	預付租賃款項	15	3,942	4,082
Interest in a jointly-controlled entity	共同控制企業之權益	17	–	4,002
Long term receivables	長期應收賬款	18	2,643	2,698
Prepaid rentals	預付租金	19	–	2,098
			<b>66,518</b>	<b>76,230</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	24,368	21,674
Accounts and bills receivable	應收賬款及票據	21	48,723	38,601
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		8,019	9,808
Tax recoverable	可收回稅項		53	–
Pledged deposits	已抵押存款	22	8,370	5,688
Cash and bank balances	現金及銀行結存	23	35,233	14,200
			<b>124,766</b>	<b>89,971</b>
Assets classified as held for sale	可供出售資產	24	2,820	–
			<b>127,586</b>	<b>89,971</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Accounts payable	應付賬款	25	33,582	17,230
Other payables and accruals	其他應付賬款及應計款項		22,990	26,794
Tax payable	應付稅項		6,000	5,852
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	43,299	36,936
Provision	撥備	28	575	575
			<b>106,446</b>	<b>87,387</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>21,140</b>	<b>2,584</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>87,658</b>	<b>78,814</b>



## 綜合資產負債表 Consolidated Balance Sheet

於二零零七年三月三十一日 At 31 March 2007

		Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	(10,571)	(12,754)
<b>Net assets</b>	<b>資產淨額</b>		<b>77,087</b>	66,060
<b>CAPITAL AND RESERVE</b>	<b>資本及儲備</b>			
Issued capital	已發行股本	30	38,590	51,453
Reserves	儲備	32(a)	34,238	10,045
			<b>72,828</b>	61,498
<b>Minority interests</b>	<b>少數股東權益</b>		<b>4,259</b>	4,562
			<b>77,087</b>	66,060

The consolidated financial statements on pages 45 to 128 were approved and authorized for issue by the board of directors on 18 July 2007 and are signed on its behalf by:

第45至128頁之綜合財務報告已於二零零七年七月十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

**TANG Kuan Chien**

DIRECTOR

董事

唐貫健

**TANG Wei Lun**

DIRECTOR

董事

唐偉倫





## 綜合權益變動表

# Consolidated Statement of Changes in Equity

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

		Attributable to equity holders of the Company 本公司權益持有人應佔											
		Issued share capital	Share premium account	Equity components of convertible bonds	Share-based payment reserve	Contributed surplus	Asset revaluation reserve	General reserve	Exchange fluctuation reserve	Accumulated losses	Total	Minority interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		已發行股本	股份溢價賬	可換股債券之權益部份	以股代款儲備	實繳盈餘	資產重估儲備	一般儲備	匯率波動儲備	累積虧損	總額	少數股東權益	權益總額
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2005	於二零零五年四月一日	42,112	188,386	14,130	-	52,743	1,476	188	(17,367)	(292,491)	(10,823)	4,431	(6,392)
Surplus on revaluation	重估盈餘	-	-	-	-	-	349	-	-	-	349	-	349
Exchange realignment	外匯調整	-	-	-	-	-	-	-	3,064	-	3,064	69	3,133
Total income and expenses recognised directly in equity	直接權益確認之收入及開支總額	-	-	-	-	-	349	-	3,064	-	3,413	69	3,482
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	599	599	62	661
Total income and expenses for the year	年度收入及開支總額	-	-	-	-	-	349	-	3,064	599	4,012	131	4,143
Issue of new shares	發行新股份	6,820	20,460	-	-	-	-	-	-	-	27,280	-	27,280
Share issue expenses	發行股份開支	-	(273)	-	-	-	-	-	-	-	(273)	-	(273)
Conversion of convertible bonds	兌換可換股債券	2,521	52,740	(14,130)	-	-	-	-	-	-	41,131	-	41,131
Release of reserves upon disposal of a jointly-controlled entity	出售一間共同控制企業時撥回儲備	-	-	-	-	-	(1,363)	(188)	171	1,551	171	-	171
Reduction of share premium account	削減股份溢價賬	-	(254,421)	-	-	-	-	-	-	254,421	-	-	-
At 31 March 2006	於二零零六年三月三十一日	51,453	6,892	-	-	52,743	462	-	(14,132)	(35,920)	61,498	4,562	66,060
Surplus on revaluation	重估盈餘	-	-	-	-	-	1,000	-	-	-	1,000	-	1,000
Exchange realignment	外匯調整	-	-	-	-	-	-	-	6,362	-	6,362	(3)	6,359
Total income and expenses recognised directly in equity	直接權益確認之收入及開支總額	-	-	-	-	-	1,000	-	6,362	-	7,362	(3)	7,359
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(18,398)	(18,398)	(300)	(18,698)
Total income and expenses for the year	年度收入及開支總額	-	-	-	-	-	1,000	-	6,362	(18,398)	(11,036)	(303)	(11,339)
Capital reduction	股份削減	(25,726)	-	-	-	-	-	-	-	25,726	-	-	-
Rights issue	供股發行	12,863	7,718	-	-	-	-	-	-	-	20,581	-	20,581
Share-based payment expenses	以股代款之交易費用	-	-	-	1,785	-	-	-	-	-	1,785	-	1,785
At 31 March 2007	於二零零七年三月三十一日	38,590	14,610*	-	1,785*	52,743*	1,462*	-	(7,770)	(28,592)	72,828	4,259	77,087

\* These reserve accounts comprise the consolidated reserves of HK\$70,600,000 (2006: deficit of HK\$10,045,000) in the consolidated balance sheet of the Group.

\* 該等儲備賬包括本集團於綜合資產負債表列賬之綜合儲備70,600,000港元(二零零五年:虧損10,045,000港元)。



## 綜合現金流動報表

### 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

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Cash flows from operating activities</b>	<b>經營業務之現金流量</b>		
Loss before taxation	除稅前虧損：	<b>(18,732)</b>	(1,603)
Adjustments for:	經調整下列各項：		
Finance costs	財務成本	<b>3,870</b>	3,922
Share of profits and losses of jointly-controlled entities	所佔共同控制企業溢利及虧損	-	(276)
Interest income	利息收入	<b>(156)</b>	(90)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備項目之虧損	<b>52</b>	1,566
Gain on derecognition of prepaid lease payments	取消確認預付租賃款項之收益	-	(206)
Loss on disposal of a jointly-controlled entity	出售一間共同控制企業之虧損	<b>113</b>	2,074
Gain on derecognition of a long term receivable	取消確認一項長期應收賬款之收益	-	(1,636)
Gain arising on write-off of indebtedness	撤銷債務之收益	-	(11,100)
Depreciation	折舊	<b>10,355</b>	14,240
Amortisation of prepaid lease payments	確認預付租賃款項	<b>122</b>	104
Amortisation of a long term receivable	長期應收賬款攤銷	<b>198</b>	168
Impairment of an interest in a jointly-controlled entity	一項共同控制企業之權益減值	-	3,500
Deficit/(Surplus) on revaluation of leasehold buildings	租賃樓宇之重估虧損／(盈餘)	-	63
Allowance for doubtful debts	壞賬支出	<b>243</b>	-
Gain on disposal of subsidiaries	出售附屬公司之收益	<b>(1,006)</b>	-
Provision for other asset	其他資產撥備	<b>420</b>	-
Reversal of allowance for doubtful debts	壞賬支出回撥	<b>(133)</b>	-
Staff costs	員工費用	<b>1,785</b>	-
<b>Operating (loss)/profit before working capital changes</b>	<b>營運資金變動前之經營(虧損)／溢利</b>	<b>(2,869)</b>	10,726
Decrease in prepaid rentals	預付租金減少	<b>2,098</b>	2,156
Increase in inventories	存貨增加	<b>(2,694)</b>	(1,579)
(Increase)/Decrease in accounts and bills receivable	應收賬款及票據(增加)／減少	<b>(10,232)</b>	1,486
Decrease in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項減少	<b>950</b>	840
Increase/(Decrease) in accounts payable	應付賬款增加／(減少)	<b>16,352</b>	(1,844)
(Decrease)/Increase in other payables and accruals	其他應付款項及應計款項(減少)／增加	<b>(3,928)</b>	2,280
Decrease in an amount due to a director	欠董事款項減少	-	(460)
Decrease in an amount due to a related company	應付關連公司款項減少	-	(700)
<b>Cash (used in)/generated from operations</b>	<b>經營(所用)／產生之現金</b>	<b>(323)</b>	12,905
Interest received	已收利息	<b>156</b>	90
Interest paid	已付利息	<b>(3,827)</b>	(3,461)
Interest element of finance lease rental payments	融資租賃租金之利息部份	<b>(43)</b>	(22)
Hong Kong profits tax paid	已付香港利得稅	<b>(132)</b>	(578)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>經營業務之現金(流出)／流入淨額</b>	<b>(4,169)</b>	8,934



## 綜合現金流動報表 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

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Purchases of property, plant and equipment	購買物業、廠房及設備項目	(5,437)	(854)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備項目所得款項	81	44
Proceeds from disposal of a jointly-controlled entity	出售一間共同控制企業所得款項	-	335
Proceeds from derecognition of long term receivable	取消確認一項長期應收賬款所得款項	-	1,636
Proceeds from disposal of prepaid lease payments	出售預付租賃款項所得款項	-	256
Disposal of a subsidiary	出售附屬公司	4,036	-
Increase in pledged deposits	有抵押存款增加	(2,682)	(1,451)
<b>Net cash outflow from investing activities</b>	<b>投資活動之現金流出淨額</b>	<b>(4,002)</b>	<b>(34)</b>
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Proceeds from issue of shares	發行股份所得款項	20,581	27,280
Share issue expenses	股份發行開支	-	(273)
Increase in loans from shareholders	欠股東貸款增加	-	(26,320)
Drawdown of bank loans	動用銀行貸款	7,235	39,779
Repayment of bank loans	償還銀行貸款	(2,803)	(39,991)
Repayment of other loans	償還其他貸款	(1,000)	(7,051)
Capital element of finance lease rental payments	融資租賃租金之資本部份	(176)	(1,465)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>融資活動之現金流入／(流出)淨額</b>	<b>23,837</b>	<b>(8,041)</b>
<b>Net increase in cash and cash equivalents</b>	<b>增加現金及等同現金項目淨額</b>	<b>15,666</b>	<b>859</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>年初之現金及等同現金項目</b>	<b>14,200</b>	<b>13,336</b>
<b>Effect of foreign exchange rate changes, net</b>	<b>匯率變動之影響淨額</b>	<b>5,367</b>	<b>5</b>
<b>Cash and cash equivalents at end of year</b>	<b>年終之現金及等同現金項目</b>	<b>35,233</b>	<b>14,200</b>
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及等同現金項目結餘分析</b>		
Cash and bank balances	現金及銀行結存	35,233	14,200



## 資產負債表 Balance Sheet

於二零零七年三月三十一日 At 31 March 2007

	Notes 附註	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	16	11,637
<b>Current assets</b>	<b>流動資產</b>		
Due from subsidiaries	應收附屬公司之款項	16	72,543
Prepayment	預付款		159
Cash and bank balances	現金及銀行結存	23	20,702
			93,404
<b>Current liabilities</b>	<b>流動負債</b>		
Due to subsidiaries	應付附屬公司之款項	16	20,634
Other payables and accruals	其他應付款項及應計款項		2,665
			23,299
<b>Net current assets</b>	<b>流動資產淨值</b>		70,105
<b>Net assets</b>	<b>資產淨額</b>		81,742
<b>CAPITAL AND RESERVE</b>	<b>資本及儲備</b>		
Issued capital	已發行股本	30	38,590
Reserves	儲備	32(b)	43,152
			81,742

The consolidated financial statements on pages 45 to 128 were approved and authorized for issue by the board of directors on 18 July 2007 and are signed on its behalf by:

第45至128頁之綜合財務報告已於二零零七年七月十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

**TANG Kuan Chien**  
DIRECTOR  
董事  
唐貫健

**TANG Wei Lun**  
DIRECTOR  
董事  
唐偉倫



## 財務報表附註

# Notes to the Financial Statements

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

### 1. CORPORATE INFORMATION

Bestway International Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at Room 1304 to 1305, 13/F., Shun Fat Industrial Building, 17 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Group during the year were the manufacturing and trading of plastic products, mainly PVC films. There were no significant changes in the nature of the Group's principal activities during the year.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

### 1. 公司資料

百威國際控股有限公司為於百慕達註冊成立之有限公司。本公司之主要營業地點位於香港九龍九龍灣宏開道17號順發工業大廈13樓1304至1305室。

本公司之主要業務為投資控股。本集團於年內之主要業務為製造及買賣塑膠產品，主要包括塑膠布產品。年內，本集團之主要業務性質並無重大變動。

此等財務報表乃以港元呈列，此與本公司之功能貨幣相同。

### 2. 應用新增及經修訂之香港財務報告準則

在本年度內，本集團首次應用香港會計師公會（「香港會計師公會」）新頒佈之多項全新準則、修訂及詮釋（「新香港財務報告準則」），新香港財務報告準則適用於二零零五年十二月一日或二零零六年一月一日或二零零六年三月一日或之後開始之會計期間。採納新香港財務報告準則對本會計年度或過往會計年度業績及財務狀況之編製及呈列方式並無造成任何重大影響。因此，無須作出任何以前年度調整。



## 財務報表附註

### Notes to the Financial Statements

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

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC) – Int 8	Scope of HKFRS 2 <sup>3</sup>
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives <sup>4</sup>
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment <sup>5</sup>
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>6</sup>
HK(IFRIC) – Int 12	Service Concession Arrangements <sup>7</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2009
- <sup>3</sup> Effective for annual periods beginning on or after 1 May 2006
- <sup>4</sup> Effective for annual periods beginning on or after 1 June 2006
- <sup>5</sup> Effective for annual periods beginning on or after 1 November 2006
- <sup>6</sup> Effective for annual periods beginning on or after 1 March 2007
- <sup>7</sup> Effective for annual periods beginning on or after 1 January 2008

## 2. 應用新增及經修訂之香港財務報告準則 (續)

本集團並無提前採用以下經已頒布但尚未生效之新準則、修訂或詮釋。本公司董事預計應用該等準則、修訂或詮釋將不會對本公司之業績及財務狀況造成重大影響。

香港會計準則第一號 (修訂本)	資本披露 <sup>1</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則第8號	業務分部 <sup>2</sup>
香港(國際財務報告解釋委員會) – 詮釋第8	香港財務報告準則第2號之範疇 <sup>3</sup>
香港(國際財務報告解釋委員會) – 詮釋第9	重估附帶之衍生工具 <sup>4</sup>
香港(國際財務報告解釋委員會) – 詮釋第10	中期財務報告及減值 <sup>5</sup>
香港(國際財務報告解釋委員會) – 詮釋第11	香港財務報告準則第2號—集團及庫存股份交易 <sup>6</sup>
香港(國際財務報告解釋委員會) – 詮釋第12	服務經營權安排 <sup>7</sup>

- <sup>1</sup> 於二零零七年一月一日或其後開始之年度期間生效。
- <sup>2</sup> 於二零零九年一月一日或其後開始之年度期間生效。
- <sup>3</sup> 於二零零六年五月一日或其後開始之年度期間生效。
- <sup>4</sup> 於二零零六年六月一日或其後開始之年度期間生效。
- <sup>5</sup> 於二零零六年十一月一日或其後開始之年度期間生效。
- <sup>6</sup> 於二零零七年三月一日或其後開始之年度期間生效。
- <sup>7</sup> 於二零零八年一月一日或其後開始之年度期間生效。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for building, which is measured at fair value, as explained in the accounting policies set out below.

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

#### Basis of consolidation

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

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

### 3. 重大會計政策概要

本綜合財務報表乃按歷史成本法慣例編製，惟投資物業則按公平值計量，並詳述於下文所載之會計政策。

本綜合財務報表乃依據香港會計師公會頒佈之香港財務報告準則編製。此外，本綜合財務報表包括香港聯合交易所有限公司證券上市規則及公司條例規定之適用披露資料。

#### 綜合賬目基準

綜合財務報表包括本公司及由本公司控制的實體（其附屬公司）的財務報表。倘若本公司有權規管實體的財務及營運政策，以從其活動中取得利益，即達到控制。

對於本年度內購入或出售之附屬公司，彼等之業績按情況由購入之生效日期起或截至出售之生效日期止計入綜合收益表內。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

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

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

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

#### Business combinations

The interest 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.

### 3. 重大會計政策概要 (續)

#### 綜合賬目基準 (續)

如有需要，須對附屬公司之綜合財務報表作出調整，令其會計政策與本集團其他成員公司所採用者相符。

所有集團間之交易、結餘、收入及開支均於綜合賬目時對銷。

綜合附屬公司資產淨值之少數股東權益與本集團於當中之權益分開呈列。資產淨值之少數股東權益包括少數股東於原有業務合併日期所佔之權益總額及少數股東自合併日期起所佔之權益變動。少數股東應佔虧損超出所佔附屬公司權益之差額由本集團承擔，惟少數股東有具約束力責任及可作額外投資以彌補虧損者除外。

#### 企業合併

少數股東於被收購方的權益初始按少數股東於所確認的資產、負債及或然負債的淨公平值的比例計量。





## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

#### Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated income statement and consolidated reserves, respectively. The Group's interests in jointly-controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of the acquisition of subsidiaries and jointly-controlled entities (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

### 3. 重大會計政策概要 (續)

#### 附屬公司

附屬公司乃一間本公司直接或間接控制其財務及營運政策以從其經營業務中獲利之公司。

附屬公司之業績以已收及應收股息為限計入本公司之收益賬內。本公司於附屬公司之投資乃按成本減任何減值虧損列賬。

#### 共同控制企業

共同控制企業為一間合營公司，於共同控制之下，導致參與各方對共同控制企業之經濟活動概無單方面控制權。

本集團應佔共同控制企業之收購後業績及儲備分別列入綜合收益賬及綜合儲備。本集團於共同控制企業之權益乃根據權益會計法減去減值虧損後按本集團應佔資產淨值於綜合資產負債表中列賬。

本集團於被收購公司可識別資產、負債及或然負債公允淨價之權益高出附屬公司及聯營公司之收購成本之數額（前稱負商譽），會於重新評估後即時在收益賬確認。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

### 3. 重大會計政策概要 (續)

#### 非財務資產減值 (不包括商譽)

當資產 (除存貨及金融資產外) 出現減值或需要作年度減值測試, 則估計資產之可收回數額。資產之可收回數額乃按資產或產生現金單位之使用價值或其售價淨額之較高者計算, 及釐定作個別資產, 倘該項資產並不產生獨立於其他資產或多組資產之現金流量, 則其可收回數額乃釐定作資產所屬之產生現金單位。

減值虧損僅於資產之賬面值超逾其於收回價值時確認。於評估使用價值時, 估計未來現金流量乃按稅前折讓率折讓至其現值, 稅前折讓率反映市場現時對貨幣時間價值及資產特定風險之評估。減值虧損乃於產生之期間在收益賬中支銷, 除非有關資產以估值列賬, 則在此情況下, 減值虧損乃根據該重估資產之有關會計政策入賬。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets other than goodwill (Continued)

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

#### 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 return that are different from those of segments operation in other economic environments.

### 3. 重大會計政策概要 (續)

#### 非財務資產減值 (不包括商譽) (續)

於每個報告日均會就是否有任何跡象顯示過往年度確認之減值虧損不再存在或可能已經減少進行評估。倘有任何該等跡象，便會估計收回價值。先前確認除商譽以外之資產之減值虧損，僅於用以釐訂資產可收回數額之估計有所變動時撥回，惟不得超過倘有關資產在過往年度並未確認減值虧損而所釐訂之賬面值（扣除任何折舊／攤銷淨額）。所撥回之減值虧損，乃於撥回之期間計入收益賬中，除非資產乃以估值列賬，則在此情況下，所撥回之減值虧損乃根據該重估資產之有關會計政策之入賬。

#### 分類呈報

業務分類指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分類。地區分類乃在某一特定經濟環境下從事提供產品或服務，而該分類之風險及回報有別於在其他經濟環境經營之分類。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties

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

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

### 3. 重大會計政策概要 (續)

#### 關連人士

該人士被視為關連人士，倘：

- (a) 有關人士直接或間接透過一名或多名仲介人：(i)控制是，受本集團控制，或與本集團受到共同控制；(ii)擁有本集團權益，並使其可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團控制權；
- (b) 有關人士為共同控制實體；
- (c) 有關人士為本集團主要管理人員；
- (d) 有關人士為(a)或(c)項所述任何人士之直系親屬；
- (e) 有關人士為(c)或(d)項所述人士直接或間接控制、與他人共同控制或能對其發揮重大影響力或擁有重大投票權之該實體；或
- (f) 該名人士為就本公司或本公司有關連人士任何實體之員工福利之退休福利計畫中之一方。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less subsequent depreciation and impairment losses.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

### 3. 重大會計政策概要 (續)

#### 物業、廠房及設備與折舊

物業、廠房及設備乃以成本值或估值減累計折舊及任何減值虧損入賬。

持作生產及提供產品及服務，或作行政管理用途之樓宇均以重估值（即於重估日期之公平值減其後累計折舊及其後累計減值虧損）於綜合資產負債表入賬。重估會適時定期進行，以確保賬面值不會與按結算日公平值計算之賬面值有重大差異。

任何重估樓宇產生之重估增值均會計入物業重估儲備，惟以就同一資產撥回過往確認為開支之重估減值為限，而在此情況下，有關增值會計入綜合收益賬，惟以過往扣除之減值為限。重估資產產生之賬面淨值減少列作開支處理，惟以不超出與過往就同一資產重估有關之物業重估儲備結餘（如有）為限。於其後出售或報廢重估資產時，應佔重估增值會轉撥至保留盈利。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Buildings	Over the lease terms
Leasehold improvements	5 to 10 years or over the lease terms, whichever is shorter
Plant and machinery	2 to 15 years
Furniture, fixtures, equipment and motor vehicles	3 to 5 years

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

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

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

### 3. 重大會計政策概要 (續)

#### 物業、廠房及設備與折舊 (續)

折舊乃以直線基準按估計可使用年期撇銷每項物業、廠房及設備成本值或估值之任何估計剩餘值之餘值。就此採用之年率如下：

土地及樓宇	按租約年期
租賃物業中心	5至10年或租約年期，以較短者為準
廠房及機器	2至15年
傢俬、固定裝置、設備及汽車	3至5年

倘一項物業、廠房及設備之各部分具有不同之可使用年期，此項目各部分之成本或估值將按合理基礎分配，而每部分將作個別折舊。

剩餘價值、可使用年期和折舊方法於各結算日進行檢討及調整（如適用）。

一項物業、廠房及設備於出售時或估計其使用或出售不再會有經濟效益時，將不再被確認。於收益賬中確認之出售及報廢固定資產之盈虧乃指有關資產之出售所得款項淨額與其賬面值之差額。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

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

Prepaid lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

### 3. 重大會計政策概要 (續)

#### 租賃

將資產擁有權(法定所有權除外)全部回報及風險大部份轉移至本集團之租約列為融資租約。於融資租約生效時,租賃資產之成本按租約最低付款之現值予以資本化,並連同債務(不包括利息部份)予以記錄以反映該項購買及融資。根據資本化融資租約持有之資產包括在物業、廠房及設備內,並按租約年期及資產之估計可使用年期兩者中之較短者予以折舊。該等租約之融資費用於收益賬內扣除,以於租期內提供固定之定期費用率。

透過融資性質之租購合約購買之資產按融資租賃列賬,惟按其估計使用年限折舊。

資產擁有權之全部回報及風險大部份由租賃公司承受之租約列為經營租約。倘本集團為承租人,根據經營租約而應付之租金,乃於租約期內以直線法在收益賬扣除。

預付租賃初始時以成本列賬並於租賃期內按直線法攤銷。凡不能可靠劃分土地和樓宇部分之租金,全額記入土地及樓宇成本,並以融資租賃於物業、廠房及設備中列示。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments

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

#### Financial assets

The Group's financial assets are classified as loans and receivables and the accounting policy adopted is set out below.

### 3. 重大會計政策概要 (續)

#### 金融工具

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

#### 金融資產

本集團之金融資產分類為貸款及應收款項。所採納之會計政策載列於下文。





## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Loans and receivables

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

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

##### 貸款及應收款項

貸款及應收款項為於活躍市場並無報價而附帶固定或可釐定付款之非衍生金融資產。於首次確認後之各結算日，貸款及應收款項（包括貿易及其他應收款項、應收附屬公司款項、應收聯營公司款項及銀行結餘）採用實際利率法攤銷成本，並減任何已識別減值虧損列賬。倘有客觀證據顯示資產出現減值，則減值虧損會於損益賬確認，並按資產賬面值與按原實際利率貼現之估計未來現金流量現值之差額計算。倘資產可收回金額之增幅能客觀地涉及確認減值後所發生之事件，則減值虧損會於以後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Fair value

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

#### Impairment of financial assets

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

##### Assets carried at amortised cost

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

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

##### 公平值

於有序金融市場交易活躍之投資之公平價值乃參考結算日辦公時間結束時之市場買入價而計算。對於沒有活躍市場標價之投資，其公平價值則以估價技術釐定。估值技術包括使用熟悉情況之交易各方自願進行之近期公平市場交易、參照本質相同之其他金融工具之現行公平價值、折現現金流量分析和期權定價模型。

#### 金融資產減值

本集團於每個結算日評估是否存在客觀證據顯示一項或一組金融資產出現減值。

##### 按攤銷成本入賬之資產

倘有客觀證據顯示按攤銷成本入賬之應收賬款出現減值虧損，則減值虧損按該項資產賬面值與以其初始實際利率（即初步確認時計算之實際利率）貼現之估計未來現金流量（不包括尚未產生之未來信貸虧損）現值之差額計算。發生之減值虧損應直接減少或通過使用備抵賬戶減少該項資產之賬面金額。減值虧損於損益表確認。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (Continued)

##### Assets carried at amortised cost (Continued)

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

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

##### Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

### 3. 重大會計政策概要 (續)

#### 金融資產減值 (續)

##### 按攤銷成本入賬之資產 (續)

本集團首先對個別重要之金融資產是否發生減值之客觀證據進行評估，以及對個別不重要之金融資產是否發生減值之客觀證據進行單項或整體評估。倘並無客觀證據顯示個別金融資產出現減值，則不論資產屬重大與否，均列作入信貸風險特性相若之一組金融資產內，並進行整體減值評估。個別評定出現減值並已確認或會繼續減值虧損之資產，均不作整體減值評估。

倘其後減值虧損金額減少，且此減少客觀上與確認減值以後發生之事項有關，則以往確認之減值虧損將會撥回並於損益表內確認，惟有關資產之賬面值不得超過撥回當日之攤銷成本。

##### 按成本入賬之資產

倘有客觀證據證明非上市股本工具之減值虧損因未能可靠地計量其公平價值而不按公平價值列賬。虧損金額按該項資產之賬面值與估算未來現金流量之現值（按類似金融資產目前市場回報率折現）之差額計算。該等資產之減值虧損不會撥回。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets

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

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

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

### 3. 重大會計政策概要 (續)

#### 取消確認金融資產

金融資產(或一項金融資產之一部分或一組同類金融資產之一部分)於下列情況下將取消確認:

- 收取該項資產所得現金流量之權利經已屆滿;
- 本集團保留收取該項資產所得現金流量之權利,惟須根據一項「通過」安排,在未有嚴重延緩第三者之情況下,已就有關權利全數承擔付款之責任;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,並(a)已轉讓該項資產之絕大部分風險及回報;或(b)並無轉讓或保留該項資產絕大部分風險及回報,但已轉讓該項資產之控制權。

本集團凡已轉讓其收取一項資產所得現金流量之權利,但並無轉讓或保留該項資產之絕大部分風險及回報,且並無轉讓該項資產之控制權,該項資產將以本集團持續牽涉該項資產為限而確認入賬。持續牽涉形式如為本集團就已轉讓資產作出一項保證,已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計量。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets (Continued)

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

### 3. 重大會計政策概要 (續)

#### 取消確認金融資產 (續)

倘透過書面及／或購入期權（包括以現金結算期權或類似條文）方式持續參與已轉讓資產，則本集團之持續參與限於本集團可購回之已轉讓資產金額，惟在資產之書面認沽期權（包括以現金結算期權或類似條文）按公平價值計量之情況下除外，在此情況下，本集團之持續參與限於已轉讓資產與期權行使價中之較低者。

#### 附息貸款及借貸

所有貸款及借貸初步按已收代價之公平價值減直接應佔交易成本確認。

於初步確認後，附息貸款及借貸期後以實際利率法按攤銷成本列賬。

損益乃於損益表中確認，而負債則於攤銷過程中取消確認。

#### 借貸成本

於年度內，借貸成本於發生時被確認為支出。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial liabilities

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

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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### 3. 重大會計政策概要 (續)

#### 取消確認財務負債

當負債責任獲解除或註銷或屆滿時，即取消確認財務負債。

倘現有財務負債由來自同一借方之另一筆財務負債替代，而其條款大不相同或現有負債之條款大幅修訂，則變動或修訂被視作取消確認原來負債並確認新負債，而各賬面金額間之差額則於損益表中確認。

#### 存貨

存貨以成本值及可變現淨值兩者中之較低者入賬。成本值以先入先出之基準整訂，且若為在製品及製成品，則包括直接物料，直接勞工及適當比例之間接開支。可變現淨值乃根據估計售價減預計至完成及出售所產生之其他費用。



## 財務報表附註

# Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and cash equivalents

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

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

#### Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

### 3. 重大會計政策概要 (續)

#### 現金及等同現金項目

就綜合現金流動報表而言，現金及等同現金項目包括手頭現金及即期存款，以及承受不重大之價值變動風險，且於購入時之到期日短（一般為三個月）並可於毋須通知下隨時轉換回已知現金數額之短期高流通性投資（扣除須按通知償還以及構成本集團現金管理之重要部份之銀行透支）。

就資產負債表而言，現金及銀行結餘乃指手頭及銀行現金，包括用途未受限制之定期存款。

#### 可供出售資產

倘非流動資產及出售組別的賬面值主要通過出售交易而非透過持續使用的方式收回，則會分類為可供出售資產。此情況必須於有關出售的成交機會極高，且該資產（或出售組別）可即時以其現有狀況出售，方會被視為符合條件。

分類為待售類別的非流動資產及出售組別，按該項資產（出售組別）的先前賬面值與公允值兩者中的較低者減出售成本計量。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Provisions

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

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

#### Income tax

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

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

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

### 3. 重大會計政策概要 (續)

#### 撥備

因過往事項導致出現時之責任(法律或推斷)而未來可能須流出資源以解決責任,且能對有關責任作可靠估計,則確認撥備。

倘貼現之影響屬重大,則所確認之撥備數額為於結算日預期須解決責任之未來開支之現值。因時間過去而導致經貼現之現值增加,乃計入收益賬中之財務成本。

#### 所得稅

所得稅包括即期及遞延稅項。倘所得稅關乎同一或不同期間直接於股本確認之項目,則於損益賬或股本確認。

於目前或過往期間之即期稅項資產及負債,按預期自稅務當局退回或付予稅務當局之金額計算。

遞延稅項乃採用負債法,對於結算日資產及負債之計稅基準及該等項目就財務申報而言之賬面值之一切暫時差額作出撥備。





## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

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

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

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

- where the deferred tax asset relating to the deductible temporary differences arises from negative goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in jointly-controlled entities, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 3. 重大會計政策概要 (續)

#### 所得稅 (續)

遞延稅項負債就一切暫時差額予以確認：

- 惟因不屬業務合併之交易首次確認資產或負債（及於交易時並不影響會計溢利或應課稅溢利或虧損）所產生之遞延稅項負債除外；及
- 就與於附屬公司之投資及於期同控制企業之權益有關之應課稅暫時差額而言，除非撥回暫時差額之時間可以控制及暫時差額可能不會在可見將來撥回。

所有可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，惟：

- 因不屬業務合併之交易之商譽或首次確認資產或負債（及於交易時並不影響會計溢利或應課稅溢利或虧損）所產生與可扣減暫時差額有關之遞延稅項資產除外；及
- 就與於附屬公司之投資及於共同控制企業之權益有關之可予扣減暫時差額，僅於暫時差額可能會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，才確認遞延稅項資產。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

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

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

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

### 3. 重大會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產之賬面值乃於各結算日進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部份遞延稅項資產為止。相反，先前未確認之遞延稅項資產乃於各結算日重新評估及於可能獲得足夠應課稅溢利以動用全部或部份遞延稅項資產之情況下予以確認。

遞延稅項資產及負債乃根據於結算日已實施或已大致實施之稅率（及稅務法例），按變現資產或清償負債之期間預期適用之稅率予以計算。

遞延稅項資產可與遞延稅項負債抵銷，惟必須存在容許將即期稅項資產抵銷即期稅項負債之合法權利，且遞延稅項與同一課稅實體及同一稅務當局有關，方可實行。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition

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

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

#### Employee benefits

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

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

### 3. 重大會計政策概要 (續)

#### 收益確認

收益於本集團有可能獲取經濟利益及能可靠量度收益時按下列基準確認：

- (a) 於銷售貨品時，倘擁有權所附帶之重大風險及回報已轉讓予買方，且本集團在管理上參與之程度不再達致與擁有權通常相應之程度，亦不再有效控制售出之貨品；
- (b) 利息收入，以應計方式按金融工具之估計年期用實際利率法將未來估計之現金收入折扣計算金融資產之賬面淨值；及
- (c) 承包費收入，按有關承包協議以應計基準入賬。

#### 僱員福利

##### *以股份支付的交易*

本公司實施購股權計劃，為對本集團業務成功作出貢獻的合資格參與者，提供激勵與獎勵。本集團僱員（包括董事）以股份支付交易的方式收取報酬，僱員提供服務作為收取股權工具的代價（「以股權支付的交易」）。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits (Continued)

##### Share-based payment transactions (Continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes OPM model, further details of which are given in note 30 to the financial statements. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

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

### 3. 重大會計政策概要 (續)

#### 僱員福利 (續)

##### 以股份支付的交易 (續)

與僱員進行以股權支付的交易的成本，乃參照授出日期的公平價值而計量。公平價值由外聘估值師根據柏力克—舒爾斯期權定價模式決定，其進一步詳情載於財務報告附註30。評定以股權支付的交易的價值時，除了對本公司股份價格有影響的條件（「市場條件」）（如適用）外，無需將任何績效條件計算在內。

以股權支付的交易的成本，連同權益相應增加部分，在績效及／或服務條件獲得履行的期間（於有關僱員完全有權獲得授予之日（「歸屬日期」）結束）內確認。在歸屬日期前，每屆結算日確認的以股權支付的交易的累計開支，反映歸屬期已到期部分及本集團對最終將會歸屬的股權工具數目的最佳估計。在某一期間內在利潤表內扣除或進賬，乃反映累計開支於期初與期終確認時的變動。股本金額於購股權儲備確認，直至購股權獲行使（當其被轉至股份溢價賬時）或購股權屆滿／失效（當其直接撥至保留溢利）為止。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits (Continued)

##### Share-based payment transactions (Continued)

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

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

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

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

### 3. 重大會計政策概要 (續)

#### 僱員福利 (續)

##### 以股份支付的交易 (續)

對於已授出但尚未歸屬的購股權，不會確認任何開支，但視乎市場條件而決定歸屬與否的已授出購股權則除外。對於該類購股權而言，只要所有其他績效條件已經達成，不論市場條件是否達成，均會被視為已歸屬。

倘若以股權支付的購股權的條款有所變更，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期的計量，任何變更導致以股份支付的安排的總公平價值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘若以股權支付的購股權被註銷，應被視為已於註銷日期歸屬，任何尚未確認的授予購股權的開支，均應立刻確認。然而，若授予新購股權代替已註銷的購股權，並於授出日期指定為替代購股權，則已註銷的購股權及新購股權，均應被視為原購股權的變更，一如前段所述。

計算每股盈利時，未行使購股權的攤薄效應，反映為額外股份攤薄。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits (Continued)

##### *Employment Ordinance long service payments*

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

##### *Pension schemes and other retirement benefits*

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

### 3. 重大會計政策概要 (續)

#### 僱員福利 (續)

##### *僱傭條例長期服務金*

本集團若干僱員於終止僱傭合約時已於本集團服務滿規定年期，合資格領取香港僱傭條例規定之長期服務金。倘終止僱傭合約符合香港僱傭條例規定之情況，本集團則須支付有關款項。

有關預期待日後可能支付之長期服務金已撥準備。有關準備乃按於結算日僱員任職於本集團已可享有之可能日後付款之最佳估計數字計算。

##### *退休金計劃及其他退休福利*

本集團根據強制性公積金計劃條例為合資格參與退休福利計劃（「強制性公積金計劃」）之僱員實行一項界定供款強制性公積金。供款乃根據強制性公積金計劃規則按參與僱員基本薪資之某個百分比作出，並於其應付時自收益表內扣除。強制性公積金計劃之資產由獨立管理基金持有，與本集團之資產分開保管。本集團之僱主供款乃於向強制性公積金計劃作出供款時悉數歸屬於僱員所有。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits (Continued)

##### *Pension schemes and other retirement benefits (Continued)*

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

#### Foreign currencies

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

### 3. 重大會計政策概要 (續)

#### 僱員福利 (續)

##### *退休金計劃及其他退休福利 (續)*

於中國大陸經營之附屬公司之僱員須參與由當地市政府管理之中央退休金計劃。該等附屬公司須撥出僱員薪酬成本之若干比率作為對中央退休金計劃之供款。供款於須按中央退休金計劃之規則支付時自收益賬扣除。

#### 外幣

此等財務報表乃以港元(即本公司之功能及呈列貨幣)呈列。本集團內各實體自行釐定其功能貨幣,計入各實體財務報表之項目乃以功能貨幣列值。外幣交易按交易日之適用功能貨幣匯率入賬。於結算日以外幣計價之貨幣資產及負債按該日之適用匯率折算,兌換差額撥入收益賬內處理。以外幣歷史成本計算之非貨幣項目按首次交易當日之匯率換算。以外幣公平價值計算之非貨幣項目則按釐定公平價值當日之匯率換算。



## 財務報表附註 Notes to the Financial Statements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

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

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

### 3. 重大會計政策概要 (續)

#### 外幣 (續)

若干香港以外附屬公司及聯營公司之功能貨幣為港元以外之貨幣。於結算日，該等實體之資產及負債已按結算日之匯率換算為本公司之呈列貨幣，彼等之損益表已按年內加權平均匯率換算為港元。產生之匯兌差額計入權益之單獨部分。出售香港以外實體時，與該香港以外實體營運有關且已於股本中確認之遞延累計金額於損益表確認。

就綜合現金流動報表而言，海外附屬公司之現金流量乃按現金出現流量之日以適用匯率折算為港元。整個年度經常出現之海外附屬公司經常性現金流量按年內之加權平均匯率折算為港元。





## 財務報表附註

# Notes to the Financial Statements

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

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS

#### Judgements

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

##### *Impairment of assets*

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

##### *Share-based payments*

The fair value of the options granted is estimated by independent professional valuers based on the various assumptions on volatility, life of options, dividend paid out rate and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair value of the options at the date of granting the options.

### 4. 重大會計判斷

#### 判斷

於採納本集團之會計政策時，管理層已作出以下對財務報表確認款項有重大影響之判斷。

##### *資產減值*

於定資產是否減值或過往導致減值之事件是否已不再存在時，本公司須在資產減值方面作出判斷，特別是評估：(1)有否發生任何事件，導致可能會影響資產值，或影響資產值之事件是否不再存在；(2)資產賬面值能否由未來現金流量（根據持續使用資產而估計）淨現值支持；及(3)編製現金流量預測時所用之適當主要假設（包括該等現金流量預測是否利用合適利率貼現）。更改管理層選用之假設以釐定減值水平（包括現金流量預測之貼現率或增長率假設）可能會對減值測試所用之淨現值造成重大影響。

##### *以股份支付之款項*

獨立專業估值師會根據對價格波動、期權有效期、派息率及無風險年利率等多項假設估計所授出期權之公平值，惟並不計入任何非市場狀況之影響。此方法通常可對期權於授出當日之公平值作出最準確之估計。



## 財務報表附註 Notes to the Financial Statements

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

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS (Continued)

#### Judgements (Continued)

##### Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The tax liabilities recognised are based on management's assessment of the likely outcome.

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 and deferred tax assets in the period in which such determination is made.

### 5. SEGMENT INFORMATION

No business segment information of the Group is presented as the Group's revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and trading of plastic products, mainly PVC films.

No further geographical segment information is presented as over 90% of the Group's revenue, results and assets are attributable to its operations in Mainland China.

### 4. 重大會計判斷 (續)

#### 判斷 (續)

##### 所得稅

本集團須於多個司法權區繳納所得稅。本集團於釐定全球各地之所得稅撥備時須作出判斷。本集團於日常業務中進行之交易及計算未必能準確釐定最終稅項。已確認之稅項負債乃基於管理層對可能結果所作出之評估而釐定。

倘該等項目最終應繳稅項與初步入賬之數額有所分別，則該差額將影響於釐定稅項期間之所得稅、遞延稅項撥備以及遞延稅項資產。

### 5. 分部資料

由於本集團之收益、費用、資產、負債及資本開支之均來自生產及銷售塑膠產品，主要是塑膠布。所以沒有呈列分部資料。

由於本集團逾90%收益、業績及資產均來自中國大陸之營運，故並無再呈報區分類資料。



## 財務報表附註 Notes to the Financial Statements

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

### 6. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, but excludes intra-group transactions.

An analysis of revenue and other income is as follows:

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Revenue	收益		
Sales of goods	銷售貨品	300,334	282,886
Other income	其他收入		
Bank interest income	銀行利息收入	156	90
Reversal of allowance for bad debts	壞賬支出回撥	133	-
Subcontracting fee income	承包費收入	506	481
Others	其他	695	119
		<b>1,490</b>	690

### 6. 收益及其他收入

收益即本集團之營業額，乃指經扣除退貨及貿易折扣後之售貨發票值，惟不包括集團間之交易。

本集團之收益及其他收入分析如下：



## 財務報表附註

### Notes to the Financial Statements

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

#### 7. LOSS BEFORE TAXATION

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

#### 7. 除稅前虧損

本集團除稅前虧損已扣除/(計入)下列各項:

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Cost of inventories sold	已售存貨成本	284,494	260,773
Depreciation (note 14)	折舊(附註 14)	10,355	14,240
Less: Amount included in cost of inventories sold	減:撥入已售存貨成本之總額	(9,459)	(13,544)
		896	696
Amortisation of a long term receivable	長期應收款之攤銷	198	168
Amortisation of prepaid lease payments	預付租賃之攤銷	122	104
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇之經營租賃租金最低款項	3,599	3,062
Less: Amount included in cost of inventories sold	減:撥入已售存貨成本之總額	(2,468)	(2,366)
		1,131	696
Auditors' remuneration	核數師酬金		
– provision for the year	– 本年度計提	500	850
– underprovision in last year	– 上年度少計提	15	–
Employee benefits expense (excluding directors' remuneration – note 9):	僱員福利開支(不包括董事酬金 – 附註 9):		
Wages and salaries	工資及薪金	12,028	11,787
Less: Amount included in cost of inventories sold	減:撥入已售存貨成本之總額	(5,392)	(4,828)
		6,636	6,959
Pension scheme contributions	退休金計劃供款	307	271
Impairment of an interest in a jointly-controlled entity *	一間共同控制企業之權益之減值*	–	3,500
(Surplus)/Deficit on revaluation of buildings *	重估樓宇之(盈餘)/虧損*	(1,000)	63
Allowance for doubtful debts *	壞賬支出*	243	–
Loss on disposal of property, plant and equipment *	出售物業、廠房及設備項目之虧損*	110	1,566
Loss on disposal of a jointly-controlled entity *	出售一間共同控制企業之虧損*	113	2,074
Gain on disposal of a long term receivable *	出售長期應收賬之盈利*	–	(1,636)
Gain on disposal of subsidiaries	出售附屬公司之盈利	(1,006)	–
Gain on derecognition of prepaid land lease payments *	取消確認租賃款項之盈利*	–	(206)

\* These items are included in "Other operating expenses, net" on the face of the consolidated income statement.

\* 該等項目乃計入綜合收益賬內「其他經營開支淨額」中。



## 財務報表附註 Notes to the Financial Statements

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

### 8. FINANCE COSTS

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Interest on:	下列各項之利息：		
Bank loans and other loans wholly repayable within five years	須於五年內悉數償還之銀行貸款及其他貸款之利息	3,827	3,461
Convertible bonds	可換股債券利息	-	439
Finance leases	融資租約利息	43	22
Total interest	利息總額	3,870	3,922

### 9. DIRECTORS' REMUNERATION

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

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Independent non-executive directors:	獨立非執行董事：		
Fees	袍金	180	180
Share based payment expenses	以股代款之費用	54	-
		234	180
Other emoluments for executive directors:	執行董事之其他酬金：		
Fees	袍金	786	-
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,083	2,589
Pension scheme contributions	退休金計劃之供款	24	24
Share based payment expenses	以股代款之費用	90	-
		2,983	2,613
		3,217	2,793

### 8. 財務成本

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Interest on:	下列各項之利息：		
Bank loans and other loans wholly repayable within five years	須於五年內悉數償還之銀行貸款及其他貸款之利息	3,827	3,461
Convertible bonds	可換股債券利息	-	439
Finance leases	融資租約利息	43	22
Total interest	利息總額	3,870	3,922

### 9. 董事酬金

年內·董事酬金根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161節所披露詳情如下：



財務報表附註  
Notes to the Financial Statements

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

9. DIRECTORS' REMUNERATION (Continued)

9. 董事酬金 (續)

2007

二零零七

		Fees HK\$'000 袍金 千港元	Salaries allowances and benefits in kind HK\$'000 薪金、津貼 及實物福利 千港元	Pension scheme contributions HK\$'000 退休金 供款計劃 千港元	Share-based payment expense HK\$'000 以股代款 之費用 千港元	Total remuneration HK\$'000 酬金總額 千港元
Executive directors:	執行董事:					
Andy Hsiao-An Yuan <sup>1</sup>	Andy Hsiao-An Yuan <sup>1</sup>	220	–	–	18	238
Cheung Ming Leung Denver <sup>2</sup>	張明良 <sup>2</sup>	50	–	–	18	68
Lam Chi Yin Henry	林智然	420	–	–	18	438
Tang Kuan Chien	唐貫健	–	1,200	12	18	1,230
Tang Wei Lun	唐偉倫	96	883	12	18	1,009
		<b>786</b>	<b>2,083</b>	<b>24</b>	<b>90</b>	<b>2,983</b>
Independent non-executive directors:	獨立非執行董事:					
Au Kwok Yee Benjamin	歐國義	80	–	–	18	98
Hung Shean I	洪顯一	50	–	–	18	68
Wong Nai Ping	黃乃平	50	–	–	18	68
		<b>180</b>	<b>–</b>	<b>–</b>	<b>54</b>	<b>234</b>
		<b>966</b>	<b>2,083</b>	<b>24</b>	<b>144</b>	<b>3,217</b>

1. Resigned on 12 February 2007

1. 於二零零七年二月十二日辭職。

2. Resigned on 27 June 2007

2. 於二零零七年六月二十七日辭職。



## 財務報表附註 Notes to the Financial Statements

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

### 9. DIRECTORS' REMUNERATION (Continued)

2006

		Fees HK\$'000 袍金 千港元	Salaries allowances and benefits in kind HK\$'000 薪金、津貼 及實物福利 千港元	Pension scheme contributions HK\$'000 退休金 供款計劃 千港元	Total remuneration HK\$'000 酬金總額 千港元
Executive directors:	執行董事：				
Chang Bin Lin	張炳林	—	180	—	180
Tang Kuan Chien	唐貫健	—	1,200	12	1,212
Tang Wei Lun	唐偉倫	—	924	12	936
Andy Hsiao-An Yuan	Andy Hsiao-An Yuan	—	60	—	60
Cheung Ming Leung Denver	張明良	—	50	—	50
Lam Chi Yin Henry	林智然	—	75	—	75
Yang Ting	楊 鼎	—	100	—	100
		—	2,589	24	2,613
Independent non-executive directors:	獨立非執行董事：				
Au Kwok Yee Benjamin	歐國義	80	—	—	80
Hung Shean I	洪顯一	50	—	—	50
Wong Nai Ping	黃乃平	50	—	—	50
		180	—	—	180
		180	2,589	24	2,793

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2006: HK\$ Nil).

年內並無董事放棄或同意放棄任何酬金的安排(二零零六年:零港元)。

### 9. 董事酬金 (續)

二零零六



## 財務報表附註 Notes to the Financial Statements

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

### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2006: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2006: three) non-directors, highest paid employees for the year are as follows:

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	864	1,260
Share-based expense payment 以股代款	217	-
Pension scheme contribution 退休金計劃之供款	12	12
	<b>1,093</b>	1,272

The remuneration of the two (2006: three) non-directors, highest paid employees fell within the band of nil to HK\$1,000,000.

During the year, no emoluments were paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 10. 五位最高薪酬僱員

年內五位最高薪酬僱員包括三位(二零零六年:二位)董事,彼等之酬金詳情載於上文附註9。餘下二位(二零零六年:三位)非董事最高薪酬僱員於年內之酬金如下:

二名(二零零六年:三名)非董事最高薪酬僱員的酬金屬於零至1,000,000港元酬金組別。

年內,本集團概無向為了吸引董事或任何五位最高薪酬僱員加入本集團或作為離職之補償而支付任何款項。





## 財務報表附註 Notes to the Financial Statements

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

### 11. TAX

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Current year provision:	本年度撥備：		
Hong Kong	香港	-	143
Mainland China	中國大陸	-	271
		-	414
Underprovision/(Overprovision) of current tax in respect of prior years:	往年就本期稅項 不足撥備／(超額撥備)：		
Hong Kong	香港	(95)	-
Mainland China	中國大陸	61	(2,678)
		(34)	(2,678)
Tax credit for the year	年度稅項抵免	(34)	(2,264)

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the year (2006: 17.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

One of the subsidiaries operating in Mainland China is exempt from income tax for two years starting from its first profitable year of operations and is entitled to a 50% relief from income tax for the following three years under the Income Tax Law of the People's Republic of China (the "PRC"), which has been loss-making since its establishment and accordingly income tax has not been provided for the year ended 31 March 2007 (2006: Nil). For another subsidiary operating in Mainland China, as it remains loss-making during the year, no income tax has been provided (2006: Nil).

### 11. 稅項

香港利得稅乃按年內源於香港之估計應課稅溢利以稅率17.5%作出撥備(二零零六年: 17.5%)。其他地方之應課稅溢利之稅項乃按照本集團經營業務所屬國家之現行法例、詮釋及慣例，根據該等國家之通用稅率計算。

根據中華人民共和國(「中國」)所得稅法，若干在中國大陸經營之附屬公司由首個獲利經營年度起兩年內免繳所得稅，且於其後三年內獲寬減50%之所得稅。本集團在中國大陸經營之其中一間附屬公司自其註冊成立以來均錄得虧損，因此截至二零零七年三月三十一日止年度並無作出利得稅準備(二零零六年：零)。由於另一間於中國大陸經營之附屬公司年內仍錄得虧損，因此並無作出利得稅準備(二零零六年：零)。



## 財務報表附註 Notes to the Financial Statements

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

### 11. TAX (Continued)

The Group has tax losses arising in Hong Kong of HK\$125,377,171 (2006: HK\$150,623,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the companies that have been loss-making for some time.

A reconciliation of the tax expense applicable to loss before tax using the statutory rates for the locations in which the Company, its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

#### THE GROUP

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Profit/(loss) before tax	除稅前溢利／(虧損)	(18,692)	(1,603)
Tax at the statutory tax rates	按法定稅率計算之稅項	(5,300)	(1,439)
Lower tax rate/tax concession for specific provinces or local authority	個別省份及地方當局之較低稅率／稅務寬減	1,178	986
Adjustments in respect of current tax of previous years	就先前年度當期稅項之調整	—	(2,678)
Income not subject to tax	毋須納稅之收入	(41,652)	(2,239)
Expenses not deductible for tax	不可扣稅之開支	43,686	1,668
Tax allowance for capital expenditure	資本開支之稅項減免	(65)	—
Overprovision in prior year	往年超額撥備	(34)	—
Tax losses not recognised	未確認稅項虧損	3,295	3,298
Tax losses utilised from previous periods	前期未動用之稅項虧損之使用	(1,142)	(1,860)
Tax credit at the Group's effect rate	本集團按實際稅率計算之稅項抵免	(34)	(2,264)

### 11. 稅項 (續)

本集團於香港錄得稅項虧損125,377,171港元(二零零六年: 150,623,000港元), 可用於抵銷出現虧損公司日後任何期間之稅項溢利。因為該等稅項虧損是來自已錄得一段時日虧損之公司, 財務報表並無就此等虧損確認遞延稅項資產。

按本公司及其附屬公司所在國家法定稅率計算適用於除稅前虧損之稅項開支與按實際稅率計算之對賬, 以及適用稅率(即法定稅率)與實際稅率之對賬如下:

#### 本集團

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Profit/(loss) before tax	除稅前溢利／(虧損)	(18,692)	(1,603)
Tax at the statutory tax rates	按法定稅率計算之稅項	(5,300)	(1,439)
Lower tax rate/tax concession for specific provinces or local authority	個別省份及地方當局之較低稅率／稅務寬減	1,178	986
Adjustments in respect of current tax of previous years	就先前年度當期稅項之調整	—	(2,678)
Income not subject to tax	毋須納稅之收入	(41,652)	(2,239)
Expenses not deductible for tax	不可扣稅之開支	43,686	1,668
Tax allowance for capital expenditure	資本開支之稅項減免	(65)	—
Overprovision in prior year	往年超額撥備	(34)	—
Tax losses not recognised	未確認稅項虧損	3,295	3,298
Tax losses utilised from previous periods	前期未動用之稅項虧損之使用	(1,142)	(1,860)
Tax credit at the Group's effect rate	本集團按實際稅率計算之稅項抵免	(34)	(2,264)



## 財務報表附註

### Notes to the Financial Statements

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

#### 12. LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss from ordinary activities attributable to equity holders of the Company for the year ended 31 March 2007 dealt with in the financial statements of the Company, was HK\$3,667,000 (2006: HK\$5,562,000) (note 32(b)).

#### 13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company of HK\$18,398,000 (2006: a profit of HK\$599,000), and the weighted average number of 297,335,448 (2006 (restated): 5,791,172,326) ordinary shares in issue during the year.

Diluted (loss)/earnings per share amounts for the year ended 31 March 2007 and 2006 have not been disclosed, as the share option granted and the convertible bonds outstanding during both years had an anti-dilutive effect on the basic (loss)/earnings per share for both years.

#### 12. 本公司權益持有人應佔日常業務虧損

本公司之財務報表內刊載之截至二零零七年三月三十一日止年度本公司權益持有人應佔日常業務虧損淨額為3,667,000港元（二零零六年：5,562,000港元）（附註32(b)）。

#### 13. 本公司權益持有人應佔每股（虧損）／溢利

每股基本（虧損）／溢利乃按本年度本公司權益持有人應佔虧損18,398,000港元（二零零六年：溢利599,000港元）及年內已發行普通股股份之加權平均數297,335,448股（二零零六年：5,791,172,326股（重列））計算。

由於截止二零零七年及二零零六年三月三十一日止年度未獲兌換之購股權及可換股債券對該等年度每股基本（虧損）／溢利具反攤薄影響，故此並未披露該等年度之每股攤薄（虧損）／溢利。



財務報表附註  
Notes to the Financial Statements

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

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group

本集團

		Land and buildings HK\$'000 土地及樓宇 千港元	Leasehold improvements HK\$'000 租賃 物業裝修 千港元	Plant and machinery HK\$'000 廠房設備 及機器 千港元	Furniture, fixtures, equipment and motor vehicles HK\$'000 固定裝置 設備及汽車 千港元	Total HK\$'000 合計 千港元
<b>31 March 2007</b>	<b>二零零七年 三月三十一日</b>					
At 1 April 2006:	於二零零六年 四月一日:					
Cost or valuation	成本及估值	9,431	12,368	148,039	9,461	179,299
Accumulated depreciation	累計折舊	(227)	(6,926)	(101,483)	(7,313)	(115,949)
Net carrying amount	賬面淨值	9,204	5,442	46,556	2,148	63,350
At 1 April 2006, net of accumulated depreciation	於二零零六年 四月一日 累計折舊淨額	9,204	5,442	46,556	2,148	63,350
Additions	添置	-	-	-	6,268	6,268
Disposals/write-off	出售 / 撇銷	-	-	-	(378)	(378)
Transfer to assets classified as held for sale (note 24)	轉移至可供出售資產 (附註24)	-	-	(2,820)	-	(2,820)
Reclassification	重新分類	-	(2,422)	2,211	211	-
Revaluation	重估	1,000	-	-	-	1,000
Exchange realignment	外匯調整	74	(2,267)	4,786	275	2,868
Depreciation provided during the year	年內折舊	(51)	(523)	(8,854)	(927)	(10,355)
At 31 March 2007, net of accumulated depreciation	於二零零七年 三月三十一日 累計折舊淨額	10,227	230	41,879	7,597	59,933
At 31 March 2007:	於二零零七年 三月三十一日:					
Cost or valuation	成本或估值	10,348	8,746	131,972	15,920	166,986
Accumulated depreciation	累計折舊	(121)	(8,516)	(90,093)	(8,323)	(107,053)
Net carrying amount	賬面淨值	10,227	230	41,879	7,597	59,933
Analysis of cost and valuation:	成本及估值 之分析:					
At cost	按成本	-	230	41,879	7,597	49,706
At 31 March 2007 valuation	於二零零七年 三月三十一日之 估值	10,227	-	-	-	10,227
		10,227	230	41,879	7,597	59,933



# 財務報表附註

## Notes to the Financial Statements

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

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

### 14. 物業、廠房及設備 (續)

		Land and buildings HK\$'000 土地及樓宇 千港元	Leasehold improvements HK\$'000 租賃 物業裝修 千港元	Plant and machinery HK\$'000 廠房設備 及機器 千港元	Furniture, fixtures, equipment and motor vehicles HK\$'000 固定裝置 設備及汽車 千港元	Total HK\$'000 合計 千港元
<b>31 March 2006</b>	<b>二零零六年 三月三十一日</b>					
At 1 April 2005:	於二零零五年 四月一日:					
Cost or valuation (restated)	成本及估值 (重列)	9,110	12,031	155,159	9,379	185,679
Accumulated depreciation	累計折舊	-	(5,348)	(96,972)	(8,017)	(110,337)
Net carrying amount (restated)	賬面淨值 (重列)	9,110	6,683	58,187	1,362	75,342
At 1 April 2005, net of accumulated depreciation	於二零零五年 四月一日, 累計折舊淨額	9,110	6,683	58,187	1,362	75,342
Additions	添置	-	-	398	1,356	1,754
Disposals/write-off	出售 / 撇銷	-	-	(1,610)	-	(1,610)
Revaluation	重估	286	-	-	-	286
Exchange realignment	外匯調整	35	188	1,566	29	1,818
Depreciation provided during the year	年內折舊	(227)	(1,429)	(11,985)	(599)	(14,240)
At 31 March 2006, net of accumulated depreciation	於二零零六年 三月三十一日 累計折舊淨額	9,204	5,442	46,556	2,148	63,350
At 31 March 2006:	於二零零六年 三月三十一日:					
Cost or valuation	成本或估值	9,204	12,368	148,039	9,461	179,072
Accumulated depreciation	累計折舊	-	(6,926)	(101,483)	(7,313)	(115,722)
Net carrying amount	賬面淨值	9,204	5,442	46,556	2,148	63,350
Analysis of cost and valuation:	成本及估值 之分析:					
At cost	按成本	-	12,368	148,039	9,461	169,868
At 31 March 2006 valuation	於二零零六年 三月三十一日之 估值	9,204	-	-	-	9,204
		9,204	12,368	148,039	9,461	179,072



## 財務報表附註 Notes to the Financial Statements

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

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

The Group's land and buildings are held under medium term leases outside Hong Kong.

The Group's land and buildings were revalued by LCH (Asia-Pacific) Surveyors Limited ("LCH"), independent professionally qualified valuers, on the open market, existing use basis, at 31 March 2007 at HK\$10,227,000 (2006: HK\$9,204,000) in aggregate. The deficit and surplus so arising has been charged to the consolidated income statement and credited to the asset revaluation reserve as to HK\$Nil (2006: a deficit of HK\$63,000) and a surplus of HK\$1,000,000 (2006: a surplus of HK\$349,000), respectively.

Had these land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying values would have been approximately HK\$7,893,000 (2006: HK\$8,375,000).

The net book value of the Group's assets held under finance leases included in the total amount of a motor vehicle at 31 March 2007 amounted to HK\$567,000 (2006: HK\$733,000).

At 31 March 2006 and 2007, certain of the Group's buildings were pledged to secure certain credit facilities granted to the Group (note 26).

### 14. 物業、廠房及設備 (續)

本集團按中期租約於香港以外持有土地及樓宇。

土地及樓宇乃根據獨立專業合資格估值師利駿行測量師有限公司(「利駿行」)於二零零七年三月三十一日在公開市場按現有用之基準估值為合共10,227,000港元(二零零六年:9,204,000港元)。就此產生之虧損及盈餘零港元(二零零六年:63,000港元虧損)及盈餘1,000,000港元(二零零六年:349,000港元盈餘)已分別於綜合收益賬扣除及計入資產重估儲備。

倘土地及樓宇均按歷史成本值減累積折舊及減值虧損列賬，則其賬面值應約為7,893,000港元(二零零六年:8,375,000港元)。

於二零零七年三月三十一日，包括在汽車下根據融資租約持有之資產賬面淨值為567,000港元(二零零六年:733,000)。

於二零零六年及二零零七年三月三十一日，本集團若干樓宇已予抵押，藉以為本集團取得若干信貸融資(附註26)。



## 財務報表附註

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

#### 15. PREPAID LEASE PAYMENTS

#### 15. 預付租賃款項

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>COST</b>	<b>成本值</b>		
At 1 April	於四月一日	<b>4,902</b>	4,960
Disposal	出售	-	(58)
At 31 March	於三月三十一日	<b>4,902</b>	4,902
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>		
At 1 April	於四月一日	<b>716</b>	620
Charge for the year	年內攤銷	<b>122</b>	104
Eliminated on disposal	出售時消除	-	(8)
At 31 March	於三月三十一日	<b>838</b>	716
<b>NET BOOK VALUE</b>	<b>賬面淨值</b>		
At 31 March	於三月三十一日	<b>4,064</b>	4,186
Current portion including in prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款之 即期部份	<b>(122)</b>	(104)
Non-current portion	非即期部份	<b>3,942</b>	4,082

The prepaid lease payments in respect of a parcel of land (the "Land") located at Lingxia Development Area, Shishuikou Village, Qiaotou Town, Dongguan City, Guangdong Province of the PRC, together with a factory premises (the "Building") constructed thereon. The Group has not yet obtained the title certificates for the Land and the Building because the land premium of the Land has not yet been paid up. Having consulted with the Group's legal advisor in Mainland China, the directors considered that the Group has the right to use the Land and the Building erected thereon. After payment of the land premium and attending the necessary administrative procedures, the Group should be able to obtain the land use right certificate and the realty title certificate for the Land and the Building, respectively. The aggregate carrying values of the Land and the Building in this respect as at 31 March 2007 amounted to approximately HK\$4,064,000 and HK\$7,110,000, respectively.

一幅位於中國廣東省東莞市橋頭鎮石水口村嶺夏開發區之土地(「土地」)以及於該址興建之廠房物業(「樓宇」)之預付土地租賃款項。因該土地迄今尚未繳足地價，本集團仍未取得該土地及樓宇的業權證，經諮詢本集團於中國大陸的法律顧問後，董事認為本集團有權使用土地及在土地上興建的廠房。於繳付地價及辦理所需的行政手續後，本集團應可分別取得土地及樓宇的土地使用權證及房地產業權證。於二零零七年三月三十一日，該土地及樓宇之賬面價值總額分別為4,064,000港元及7,110,000港元。



## 財務報表附註

### Notes to the Financial Statements

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

#### 15. PREPAID LEASE PAYMENTS (Continued)

The leasehold land is situated in Mainland China, held under a medium term lease and was pledged to secure credit facilities granted to the Group (note 26).

#### 16. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本值		
Provision for impairment	減值準備		
Due from subsidiaries	應收附屬公司之款項		
Provision for impairment	減值準備		
Due to subsidiaries	應付附屬公司之款項		

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts due from/to subsidiaries approximate to their fair values.

#### 15. 預付租賃款項 (續)

該土地位於中國大陸，按中期租約持有並已予抵押，藉以為本集團取得若干信貸融資（附註26）。

#### 16. 於附屬公司之投資

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Unlisted shares, at cost	159,593	159,593
Provision for impairment	(147,956)	(147,956)
	<b>11,637</b>	11,637
Due from subsidiaries	434,414	434,409
Provision for impairment	(361,871)	(361,871)
	<b>72,543</b>	72,538
Due to subsidiaries	(20,634)	(17,996)
	<b>63,546</b>	66,179

與附屬公司之結餘乃無抵押、免息及不設固定償還年期。應收／應付附屬公司款項之賬面值與其公平價值相若。





## 財務報表附註 Notes to the Financial Statements

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

### 16. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries are as follows:

Name of subsidiary 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 及經營地點	Nominal value of issued and paid-up share/ registered capital 已發行及繳足 股本面值／ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Bestway Group International Limited	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	US\$1,100 1,100美元	100	–	Investment holding 投資控股
Bestget Plastic Products Limited 百吉塑膠製品有限公司	Hong Kong 香港	Ordinary HK\$2 Non-voting deferred ("Deferred") HK\$3,900,000 (note a) 普通股 2港元 無投票權遞延股份 (「遞延股份」) 3,900,000港元 (附註 a)	–	100	Property holding and sale of plastic products 物業持有及 銷售塑膠產品
Bestway Plastic Products Limited 百威塑膠製品有限公司	Hong Kong 香港	Ordinary HK\$2 Deferred HK\$37,440,000 (note a) 普通股 2港元 遞延股份 37,440,000港元 (附註 a)	–	100	Sale of plastic products 銷售塑膠產品

### 16. 於附屬公司之投資 (續)

主要附屬公司之詳情載列如下：



## 財務報表附註

### Notes to the Financial Statements

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

#### 16. INTERESTS IN SUBSIDIARIES (Continued)

#### 16. 於附屬公司之投資 (續)

Name of subsidiary 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 及經營地點	Nominal value of issued and paid-up share/ registered capital 已發行及繳足 股本面值／ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Happy Trip Limited 樂業有限公司	Hong Kong 香港	Ordinary HK\$2 Deferred HK\$1,200,000 (note a) 普通股2港元 遞延股份 1,200,000港元 (附註a)	-	100	Sale of plastic products 銷售塑膠產品
Rich Ocean Limited 富皇有限公司	Hong Kong 香港	Ordinary HK\$2 Deferred HK\$1,000,000 (note a) 普通股2港元 遞延股份 1,000,000港元 (附註a)	-	100	Investment holding 投資控股
Best Faith Plastic Products Limited ("Best Faith") 百信塑膠製品有限公司 (「百信」)	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Sales of plastic products 銷售塑膠產品
Dongguan Bestway Plastic Manufactory (note b) 東莞百威塑膠製品 (附註(b))	PRC/Mainland China 中國／中國大陸	US\$12,741,664 12,741,664美元	-	97.65	Manufacture of plastic products 製造塑膠產品



## 財務報表附註 Notes to the Financial Statements

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

### 16. INTERESTS IN SUBSIDIARIES (Continued)

### 16. 於附屬公司之投資 (續)

Name of subsidiary 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 及經營地點	Nominal value of issued and paid-up share/ registered capital 已發行及繳足 股本面值／ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dongguan Best Faith Plastic Products Limited (note c) 東莞百信塑膠製品 有限公司(附註(c))	PRC/Mainland China 中國／中國大陸	US\$5,040,470 5,040,470美元	–	100	Manufacture of plastic products 製造塑膠產品
Fullson Resources Limited ("Fullson") 富新資源有限公司 (「富新」)	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股

Notes:

附註:

- (a) The profits which the company may determine to distribute in respect of any financial year shall be distributed, as regard the first HK\$1,000,000,000,000 thereof among the holders of ordinary shares, with one-half of the remaining balance of the said profits being distributed among the holders of the non-voting deferred shares and the other half of such remaining balance being distributed among the holders of ordinary shares. Save as aforesaid, the non-voting deferred shares carry no other rights to dividends. The non-voting deferred shares carry no rights to attend or vote at general meetings, but carry the rights to receive one-half of the balance of any surplus in a return of capital in a winding-up after the holders of the ordinary shares have received a total return of HK\$500,000,000,000.
- (a) 公司決定就任何財政年度分派之首1,000,000,000,000港元溢利將分派予各普通股持有人，上述溢利餘額之一半將分派予無投票權遞延股份之持有人，而該餘額之另一半則分派予普通股持有人，除上述者外，無投票權遞延股份再無權利享有股息。無投票權遞延股份亦無賦予持有人權利出席股東大會或於會上投票，惟附有權利可於清盤退回資本時，在普通股持有人獲退回資本總額500,000,000,000港元後收取其餘任何盈餘之一半。
- (b) This subsidiary is registered as a contractual joint venture under the PRC law.
- (b) 此附屬公司乃根據中國法例註冊為合約性合營公司。
- (c) This subsidiary is registered as a wholly-owned foreign enterprise under the PRC law.
- (c) 此附屬公司乃根據中國法例註冊為全外資企業。



## 財務報表附註 Notes to the Financial Statements

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

### 16. INTERESTS IN SUBSIDIARIES (Continued)

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

### 17. INTEREST IN A JOINTLY-CONTROLLED ENTITY

Share of net assets	分佔資產淨值
Provision for impairment	減值撥備

Particulars of the jointly-controlled entity are as follows:

Name	Business structure	Place of registration and operations	Percentage of ownership interest, voting power and profit sharing 股權、投票權及利潤分配百分比	Principal activity
名稱	業務架構	註冊及經營地點		主要業務
Shenzhen Wuye Jifa Warehouse Co., Ltd. ("SWJ") 深圳物業吉發倉儲有限公司 ("吉發倉儲")	Corporate 公司	PRC/Mainland China 中國／中國大陸	25	Property holding 物業持有

The above investment in SWJ is indirectly held by the Company in 2006.

### 16. 於附屬公司之投資 (續)

董事認為上表載列之本公司附屬公司乃對本集團年內之業績有重大影響，或構成本集團資產淨值之主要部份。董事認為載列其他附屬公司之詳情會導致有關資料過於冗長。

### 17. 佔共同控制企業權益

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
	-	48,194
	-	(44,192)
	-	4,002

於二零零七年三月三十一日，共同控制企業資料如下：

於二零零六年，本公司間接持有以上於吉發倉儲之投資。



## 財務報表附註

### Notes to the Financial Statements

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

#### 17. INTEREST IN A JOINTLY-CONTROLLED ENTITY (Continued)

SWJ's major asset is the holding of a parcel of land located at Yantian Port, Yantian, Shenzhen, Guangdong Province of the PRC (the "Land"). The accumulated deficit arising from the revaluation of the Land as at 31 March 2006 performed by LCH, a firm of independent professionally qualified valuers, has been included in the assessment of provision for impairment.

On 11 May 2006, the Group's entire 25% of equity interest in SWJ was disposed of through the disposal of the Group's entire equity interest in Luen Fat Hong Investment Limited, which holds the 25% equity interest in SWJ.

The impairment loss of HK\$Nil (2006: HK\$3,500,000) was determined by management with reference to the net realisable value of SWJ as at the 31 March 2006 in accordance with the Group's accounting policy.

#### 18. LONG TERM RECEIVABLES

The Group's long term receivables represent investments in Chengdu Xingxing Rich Ocean Plastic Products Co., Ltd. ("CD Rich Ocean"), a former subsidiary of the Company, in respect of which there is subcontracting arrangement with the PRC joint venture partner. In accordance with the subcontracting agreement, the Group forfeited its rights to exercise significant influence/control over the financial and operating policy decisions of CD Rich Ocean in return for fixed and guaranteed annual subcontracting fees up to 2014. When this entity lost its status as subsidiary or jointly-controlled entity of the Group pursuant to the above agreement in prior years, this was reclassified as long term receivable accordingly.

#### 17. 佔共同控制企業權益 (續)

吉發倉儲之主要資產為持有位於中國廣東省深圳鹽田區鹽田港內一幅土地(「土地」)。由利駿行一家獨立專業合資格估價師行於二零零六年三月三十一日對土地進行估值而產生之累積虧絀已計入減值撥備。

於二零零六年五月十一日，本集團透過出售持有吉發倉儲25%權益之Luen Fat Hong Investment Limited全部權益，出售吉發倉儲全部25%之權益。

根據本集團之會計政策，本年度減值虧損為零港元(二零零六年：3,500,000港元)乃由管理層參考於2006年3月31日吉發倉儲之可變現淨值而釐定。

#### 18. 長期應收賬款

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Long term receivables	長期應收賬款	2,643	2,698

本集團之長期應收款指於本公司前附屬公司成都新興富皇塑膠製品有限公司(「成都富皇」)，就該公司與中國合營夥伴訂有一項承包協議。根據承包協議，本集團以應收定額保證承包年費放棄行使於成都富皇之財務及經營決策之重要影響力／控制之權利，直至二零一四年為止。當此等企業按照上述協議於以往年度失去作為本集團附屬公司或共同控制企業之地位時，其已重新分類為長期應收款。



## 財務報表附註 Notes to the Financial Statements

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

### 19. PREPAID RENTALS

As at 31 March 2007, the Group prepaid an amount of approximately HK\$1,920,000 (2006: HK\$4,254,000) in respect of the rentals for the land and buildings situated in Mainland China under an operating lease agreement for the period up to 26 July 2008. At 31 March 2007, the portion of the prepaid rental for the year ending 31 March 2008 of approximately HK\$1,920,000 (2006: HK\$2,156,000) has been included in prepayments, deposits and other receivables under current assets, while an amount of approximately HK\$Nil (2006: HK\$2,098,000) attributable to the period after 31 March 2008 has been classified as a non-current asset.

### 20. INVENTORIES

Raw materials	原料
Finished goods	製成品

### 19. 預付租金

於二零零七年三月三十一日，本集團已就位於中國大陸以經營租約持有之土地及樓宇預付截至二零零八年七月二十六日之租金約1,920,000港元（二零零六年：4,254,000港元）。於二零零七年三月三十一日，截至二零零八年三月三十一日止年度預付租金比例約1,920,000港元（二零零六年：2,156,000港元）已計入流動資產項下之預付款項、定金及其他應收款項，而二零零七年三月三十一日之後期間之應佔數額為零港元（二零零六年：2,098,000港元）已列為非流動資產。

### 20. 存貨

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Raw materials	23,294	18,067
Finished goods	1,074	3,607
	<b>24,368</b>	21,674



## 財務報表附註 Notes to the Financial Statements

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

### 21. ACCOUNTS AND BILLS RECEIVABLES

The Group's trading terms with its customers generally have credit terms of up to 60 days and non-interest bearing (except for certain well-established customers having strong financial strength, good repayment history and credit worthiness, where the credit terms are extended to 90 to 120 days). Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk.

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

		GROUP 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Within 30 days	30日內	21,973	22,184
31 to 60 days	31日至60日之間	11,733	9,738
61 to 90 days	61日至90日之間	11,635	4,321
Over 90 days	90日以上	3,382	2,358
		<b>48,723</b>	<b>38,601</b>

The carrying amounts of the Group's accounts and bills receivables approximate to their fair values.

### 22. PLEDGED DEPOSITS

The Group's bank deposits of HK\$8,370,000 as at 31 March 2007 (2006: HK\$5,688,000) were pledged for trust receipt loans and other short term trade financing facilities granted to the Group (note 26). The carrying amounts of the pledged deposits approximate to their fair values.

### 21. 應收賬款及票據

本集團一般與客戶訂立信貸期達六十日及免息之貿易條款(除若干財政狀況穩健、還款紀錄良好及信譽良好之長期客戶外,其信貸期可延長為90至120日)。高級管理層將定期檢討逾期結餘。基於以上所述及本集團之應收賬款及票據涉及眾多不同之客戶,故並無重大集中之信用風險。

於結算日,按發票日計算之應收賬款及票據賬齡分析如下:

		GROUP 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Within 30 days	30日內	21,973	22,184
31 to 60 days	31日至60日之間	11,733	9,738
61 to 90 days	61日至90日之間	11,635	4,321
Over 90 days	90日以上	3,382	2,358
		<b>48,723</b>	<b>38,601</b>

本集團應收賬款及票據之賬面值與其公平價值相若。

### 22. 有抵押存款

本集團於二零零七年三月三十一日之銀行存款8,370,000港元(二零零六年:5,688,000港元)已就信託收據貸款及其他授予本集團之短期貿易融資信貸額予以抵押(附註26)。有抵押存款之賬面值與其公平價值相若。



## 財務報表附註 Notes to the Financial Statements

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

### 23. CASH AND BANK BALANCES

### 23. 現金及銀行存款

	GROUP 本集團		COMPANY 本公司	
	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Cash and bank balances 現金及銀行存款	<b>35,233</b>	14,200	<b>20,702</b>	76

As at 31 March 2007, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$906,000 (2006: HK\$1,636,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and bank balances approximate to their fair values.

於二零零七年三月三十一日，本集團以人民幣（「人民幣」）列值之現金及銀行結餘約為906,000港元（二零零六年：1,636,000港元）。人民幣不可自由兌換其他貨幣。然而，根據中國外匯管制法規及管理結算、出售與支付外匯法規，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金按以銀行活期存款利率為基準之浮動利率賺取利息。現金及銀行結餘之賬面值與其公平價值相若。





## 財務報表附註

### Notes to the Financial Statements

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

#### 24. ASSETS CLASSIFIED AS HELD FOR SALE

At the beginning of year	於年初
Transfer from property, plant and equipment (note 14)	由物業、廠房及設備轉入 (附註14)
At the end of year	於年末

In January 2007, the Group entered into a sale and purchase agreement to dispose of certain machines. The disposal will be completed in July 2007, in which the beneficial ownership will be passed to the acquirer.

#### 25. ACCOUNTS PAYABLES

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

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Within 30 days	30日內	13,113	5,803
31 to 60 days	31日至60日之間	6,894	3,843
61 to 90 days	61日至90日之間	7,861	4,058
Over 90 days	90日以上	5,714	3,526
		<b>33,582</b>	17,230

The carrying amounts of the Group's accounts payables approximate to their fair values.

#### 24. 可供出售資產

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
At the beginning of year	-	-
Transfer from property, plant and equipment (note 14)	2,820	-
At the end of year	<b>2,820</b>	-

於二零零七年一月，本集團訂立賣買協議出售有關機器。出售將於二零零七年七月完成，有關權益擁有權將會轉讓予購買者。

#### 25. 應付賬項

於結算日，按發票日期計算之應付賬項賬齡分析如下：

	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Within 30 days	13,113	5,803
31 to 60 days	6,894	3,843
61 to 90 days	7,861	4,058
Over 90 days	5,714	3,526
	<b>33,582</b>	17,230

本集團之應付賬項之賬面值與其公平價值相若。



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26. INTEREST-BEARING BANK AND OTHER BORROWINGS

26. 計息之銀行及其他借貸

	Effective interest rate 實際利率	Maturity 到期日	Group 本集團 2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Current</b>				
<b>即期</b>				
Finance lease payables (note 27) 融資租約應付款項(附註 27)	9%	2008	167	153
Bank loans – secured 銀行貸款 – 有抵押	US dollar best lending rate minus 1.25% 美元最優惠貸款 利率減1.25%	2007	19,707	13,251
	6%	2007	20,246	19,231
Other borrowings – secured 其他借貸 – 有抵押	12%	2008	2,633	–
Other borrowings – unsecured 其他借貸 – 無抵押	6%	On demand 於催收時償還	546	4,301
			<b>43,299</b>	<b>36,936</b>
<b>Non-current</b>				
<b>非即期</b>				
Finance lease payables (note 27) 融資租約應付款項(附註 27)	9%	2009 – 2010	448	637
Other borrowings – secured 其他借貸 – 有抵押	12%	2009	10,123	12,117
			<b>10,571</b>	<b>12,754</b>
			<b>53,870</b>	<b>49,690</b>



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#### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

#### 26. 計息之銀行及其他借貸 (續)

		GROUP 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Analysed into:	分析為:		
Bank loans repayable:	須於下列限期償還之銀行貸款:		
Within one year or on demand	於一年內或於催繳時償還	39,953	32,482
Other borrowings repayable:	須於下列限期償還之其他借貸:		
Within one year or on demand	於一年內或於催繳時償還	3,179	4,301
In the second year	於第二年	10,123	-
In the third to fifth years, inclusive	於第三至第五年(包括首尾兩年)	-	12,117
		<b>13,302</b>	<b>16,418</b>
Finance lease payables:	須於下列限期償還之融資租約:		
Within one year or on demand	於一年內或於催繳時償還	167	153
In the second year	於第二年	182	167
In the third to fifth years, inclusive	於第三至第五年(包括首尾兩年)	266	470
		<b>615</b>	<b>790</b>
		<b>53,870</b>	<b>49,690</b>

As at 31 March 2007, the Group's bank and other borrowings were secured by:

- (i) A pledge of the Group's time deposits amounting to HK\$8,370,000 (2006: HK\$5,688,000) (note 22);
- (ii) A legal charge on the Land and the Building. The net book values of the Land and the Building were approximately HK\$4,064,000 (2006: HK\$4,186,000) and HK\$7,110,000 as at 31 March 2007, respectively (notes 15 and 14); and

於二零零七年三月三十一日，本集團之銀行及其他借貸乃由下列各項作抵押：

- (i) 本集團之有抵押定期存款8,370,000港元(二零零六年：5,688,000港元)(附註22)；
- (ii) 土地及樓宇之法定抵押。該土地及樓宇於二零零七年三月三十一日之賬面淨值分別約為4,064,000港元(二零零六年：4,186,000港元)及7,111,000港元。(附註15及14)；及



## 財務報表附註 Notes to the Financial Statements

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

### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (iii) Unlimited joint and several personal guarantees executed by a director and his spouse to the extent of HK\$19,707,000, for a bank loan granted to the Group in the amount of HK\$7,110,000 as at 31 March 2007 (2006: HK\$13,251,000).
- (iv) Unlimited joint and several corporate guarantee executed by a subsidiary and personal guarantee executed by a director to the extent of HK\$20,246,000 for a bank loan granted to the Group in the amount of HK\$20,246,000 as at 31 March 2007 (2006: HK\$19,231,000).

The carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

### 27. FINANCE LEASE PAYABLES

The Group leases a motor vehicle for its business operations. The lease was classified as a finance lease and had a remaining lease term of four years.

### 26. 計息之銀行及其他借貸 (續)

- (iii) 一名董事及其配偶所簽立之無限額共同及獨立個人擔保為19,707,000港元。本集團於二零零七年三月三十一日獲授予7,110,000港元(二零零六年13,251,000港元)之銀行貸款;
- (iv) 一間附屬公司及一名董事所簽立之無限額共同及獨立個人擔保為20,246,000港元。本集團於二零零七年三月三十一日獲授予20,246,000港元(二零零六年19,231,000港元)之銀行貸款;

本集團之即期及非即期借貸之賬面值與其公平價值相若。

### 27. 融資租約應付款項

本集團租賃一輛汽車作業務營運用途。該等租約列為融資租約，餘下之租賃期為四年。



## 財務報表附註 Notes to the Financial Statements

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

### 27. FINANCE LEASE PAYABLES (Continued)

At 31 March 2007, the total future minimum lease payments under finance leases and their present values were as follows:

#### GROUP

		Minimum lease payments 最少租約款項		Present value of minimum lease payments 最少租約款項之現值	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Amounts payable:	須於下列期間償還之 應付款項:				
Within on year	一年內	219	219	167	153
In the second year	於第二年	219	219	182	167
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	329	546	266	470
		767	984	615	790
Future finance charges	日後財務支出	(152)	(194)	-	-
		615	790	615	790
Portion classified as current liabilities (note 26)	列作流動負債之 部份(附註 26)			(167)	(153)
Non-current portion (note 26)	列作非流動負債之 部份(附註 26)			448	637

### 28. PROVISION

The Group provides for the probable future long service payments expected to be made to employees under the Hong Kong Employment Ordinance, as further explained under the heading "Employee benefits" in note 3 to the financial statements. The provision for long service payments of HK\$575,000 (2006: HK\$575,000) is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the balance sheet date.

### 27. 融資租約應付款項 (續)

於二零零七年三月三十一日，根據融資租約之未來最少融資租約款項總額及其現值如下：

#### 本集團

### 28. 撥備

本集團根據香港僱傭條例就預期日後可能支付僱員之長期服務金作出撥備，有關詳情於財務報表附註3「僱員福利」一段闡述。為數575,000港元（二零零六年：575,000港元）之長期服務金撥備乃按僱員於結算日因任職本集團而享有之可能日後款項之最佳估計數字計算。



## 財務報表附註 Notes to the Financial Statements

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

### 29. CONVERTIBLE BONDS

On June 23, 2005, the convertible bonds with principal amount of HK\$50,415,000 which bore interest at 1.5% per annum and due on 19 September 2009 issued by the Company in 2002 (the "1.5% CBs") were converted into 252,073,520 ordinary shares of HK\$0.01 each in the Company at a conversion price of HK\$0.2.

The fair values of the liability components of the 1.5% CBs was estimated at the issuance dates using equivalent market interest rates for similar convertible bonds without conversion portions. The residual amounts are assigned as the equity component and are included in shareholders' equity.

The net proceeds received from the issue of the 1.5% CBs has been split between the liability and the equity components, as follows:

### 29. 可換股債券

於二零零五年六月二十三日，本公司於二零零二年發行金額為50,415,000港元之可換股債券（「1.5%可換股債券」），年息為1.5%且於二零零九年九月十九日到期之可換股債券按換股價0.2港元轉換為252,073,520股每股面值0.01港元之普通股。

於發行日會以並無附有兌換權的同類債券的相約市場利率估計1.5%可換股債券負債部份的公平值，而其餘金額則分配為權益部份，並計入股東權益。

發行1.5%可換股債券所得款項淨額已分為負債及權益部份如下：

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Nominal values of the convertible bonds in issue at 1 April – 1.5% CBs	於四月一日已發行可換股債券面值 – 1.5%可換股債券	–	50,415
Equity components	權益部份	–	(14,130)
Interest expenses in prior years	以往年度利息開支	–	6,320
Interests paid in prior years	以往年度已付之利息	–	(1,913)
Liability components at 1 April	於四月一日之負債部份	–	40,692
Interest expense for the year	本年度利息開支	–	439
Conversion of 1.5% CBs in the year	本年度轉換1.5%可換股債券	–	(41,131)
Liability components at 31 March	於三月三十一日之負債部份	–	–



## 財務報表附註

### Notes to the Financial Statements

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

#### 30. SHARE CAPITAL

#### 30. 股本

		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
Authorised:	法定:		
At 1 April 2005 and 1 April 2006	於二零零五年四月一日及 二零零六年四月一日		
Ordinary shares of HK\$0.01 each	普通股每股面值0.01港元	24,000,000	240,000
Capital reduction (note a)	股本削減(附註a)	-	(120,000)
Share consolidation (note b)	股份合併(附註b)	(22,800,000)	-
At 31 March 2007	於二零零七年三月三十一日		
Ordinary shares of HK\$0.1 each	普通股每股面值0.1港元	1,200,000	120,000
Issued and fully paid:	已發行及繳足股本:		
At 1 April 2005	二零零五年四月一日		
Ordinary shares of HK\$0.01 each	普通股每股面值0.01港元	4,211,200	42,112
Increase during the year	本年度增加	934,074	9,341
At 1 April 2006	於二零零六年四月一日	5,145,274	51,453
Capital reduction (note a)	股本削減(附註a)	-	(25,726)
Share consolidation (note b)	股份合併(附註b)	(4,888,010)	-
Right issue (note b)	供股發行(附註b)	128,632	12,863
At 31 March 2007	於二零零七年三月三十一日		
Ordinary shares of HK\$0.1 each	普通股每股面值0.1港元	385,896	38,590



## 財務報表附註 Notes to the Financial Statements

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

### 30. SHARE CAPITAL (Continued)

During the year, the following changes in the share capital of the Company (the "Capital Reorganisation") took place:

- (a) Pursuant to a special resolution at the special general meeting of the Company held in 14 December 2006, the shareholders approve the following:
- The proposed capital reduction, (i) the issued share capital of the Company had reduced by HK\$0.005 per existing share by canceling an equivalent amount of paid-up capital per existing share so that the nominal value of each existing share in issue had been reduced from HK\$0.01 to HK\$0.005 and (ii) the nominal value of all the unissued shares of the Company be reduced from HK\$0.01 to HK\$0.005 each so that the authorised share capital of the Company had been reduced from HK\$240,000,000 to HK\$120,000,000.
  - Immediately following the capital reduction, the share consolidation was implemented whereby every 20 issued and unissued shares of HK\$0.005 each had consolidated into one consolidated share of HK\$0.10.

### 30. 股本 (續)

本年度，本公司之股本改變(「股本重組」)發生如下：

- (a) 根據於二零零六年十二月十四日之特別股東大會股東批准之特別決議如下：
- 根據削減股本，(i)本公司已發行股本中每股現有股份將削減0.005港元，方式為透過註銷每股現有股份等同金額之實繳股本，將每股已發行現有股份之面值由0.01港元削減至0.005港元及(ii)將本公司所有未發行股份之面值由0.01港元削減至0.005港元，因此，本公司之法定股本將由240,000,000港元減少至120,000,000港元。
  - 緊隨削減股本後實行股份合併，據此將20股每股面值0.005港元之已發行及未發行股份合併為一股面值0.10港元之合併股份。





## 財務報表附註 Notes to the Financial Statements

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

### 30. SHARE CAPITAL (Continued)

- After the capital reorganisation taking effect and on the basis that the Company does not allot and issue any further existing shares prior thereto, the authorised share capital of the Company shall be reduced to HK\$120,000,000 comprising 1,200,000,000 consolidated shares, but of which 257,263,676 consolidated shares only were in issue. The consolidated shares ranked pari passu in all respects with each other. On the basis of 5,145,273,520 existing shares in issue, a credit of approximately HK\$25.7 million arose from the capital reduction. Such amount had been credited to the contributed surplus account of the Company which had been used to eliminate part of the accumulated deficits of the Company with effect from the effective date.
  
- (b) On 23rd March 2007, the Company had raised HK\$19.6 million after expenses by way of rights issue of 128,631,838 Right Shares at a price of HK\$0.16 per Right Share on the basis of one Right Share for every two existing Shares. The issued share capital are 385,895,514 shares following the completion of the Rights Issue.

### 30. 股本 (續)

- 股本重組生效後，本公司於股本重組前並無進一步配發及發行任何現有股份為基準，本公司之法定股本將削減至120,000,000港元，由1,200,000,000股合併股份組成，惟其中僅257,263,676股合併股份為已發行。合併股份將於各方互相享有同等權益。按5,145,273,520股已發行現有股份作基準，削減股本將產生約25,700,000港元之貸方進賬。有關金額將於生效日期起計入本公司之實繳盈餘賬，以用作抵銷本公司之部份累計虧絀。
  
- (b) 於二零零七年三月二十三日，本公司透過以供股價0.16港元按持有兩股現有股份可獲發一股供股方式發行128,631,838股，扣除費用後集資19,600,000港元。緊隨供股完成後，發行股數為385,895,514股。



## 財務報表附註 Notes to the Financial Statements

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

### 31. SHARE OPTION SCHEME

The share option scheme for the employees and executive directors of the Company and its subsidiaries which was adopted at a special general meeting of the shareholders of the Company held on 13 September 1995 was terminated at the annual general meeting of the Company held on 19 August 2003. At the same annual general meeting, a new share option scheme, details of which appeared in a circular to shareholders of 25 July 2003, was approved. On 25 September 2006, the Company has granted an employee share options to executive/non-executive directors and employees at subscription price of HK\$0.035 per share at a total of 281,000,000 shares options, represent 5.46% of the existing issued share capital of the Company and approximately 5.18% of the issued share capital of the Company as enlarged by the exercise of all options by the executive/non-executive directors and employees, which was determined by the Board of Directors of the Company pursuant to the Share Option Scheme adopted by the shareholders of the Company on 19 August 2003 and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, exercisable at any time during the period from 25 September 2006 to 24 March 2008 (the "Option Period"), both days inclusive, on the following conditions:

### 31. 購股權計劃

本公司曾於一九九五年九月十三日舉行之股東特別大會上為本公司及其附屬公司之僱員及執行董事採納一項購股權計劃，而有關計劃已於二零零三年八月十九日舉行之本公司股東週年大會上終止。在同一股東週年大會上，新購股權計劃獲批准，其詳情見二零零三年七月二十五日致股東之通函。於二零零六年九月二十五日，本公司以每股0.035港元之認購價向執行／非執行董事及僱員授予僱員授出合共281,000,000份購股權，佔本公司現有已發行股本5.46%及本公司經執行／非執行董事及僱員行使所有購股權擴大後之已發行股本約5.18%。有關購股權由本公司董事會根據本公司股東於二零零三年八月十九日採納之購股權計劃及香港聯合交易所有限公司之證券上市規則授出，並可於二零零六年九月二十五日至二零零八年三月二十四日（包括首尾兩日）止期間（「購股權期間」）內隨時行使，其行使條件如下：

Option period 購股權期間	Conditions 條件
25 September 2006 to 24 June 2007 二零零六年九月二十五日至二零零七年六月二十四日	<ul style="list-style-type: none"> <li>- 50% of the Option ("First Exercisable Option") can be exercised within this period.</li> <li>- 可於此期間內行使50%購股權（「首批可行使購股權」）；</li> <li>- No transfer of the exercised shares can be effected until after 24 June 2007.</li> <li>- 已行使股份直至二零零七年六月二十四日後方可轉讓</li> <li>- Any outstanding portion of the First Exercisable Option will lapse after 24 June 2007.</li> <li>- 首批可行使購股權之任何尚未行使部份將於二零零七年六月二十四日後失效</li> </ul>



## 財務報表附註 Notes to the Financial Statements

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

### 31. SHARE OPTION SCHEME (Continued)

### 31. 購股權計劃 (續)

Option period 購股權期間	Conditions 條件
25 June 2007 to 24 March 2008 二零零七年六月二十五日至二零零八年三月二十四日	<ul style="list-style-type: none"><li>– Remaining 50% of the Option (“Second Exercisable Option”) can be exercised.</li><li>– 可行使餘下50%購股權（「第二批可行使購股權」）</li><li>– Exercised shares in respect of 50% of the Second Exercisable Option cannot be transferred until after 24 October 2007.</li><li>– 50%第二批可行使購股權之已行使股份直至二零零七年十月二十四日後方可轉讓：</li><li>– Exercised shares in respect of the remaining 50% of the Second Exercisable Option cannot be transferred until after 24 March 2008.</li><li>– 餘下50%第二批可行使購股權之已行使股份直至二零零八年三月二十四日後方可轉讓：</li><li>– Any outstanding portion of the Second Exercisable Option will lapse after 24 March 2008.</li><li>– 第二批可行使購股權之任何尚未行使部份將於二零零八年三月二十四日後失效</li></ul>



## 財務報表附註 Notes to the Financial Statements

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

### 31. SHARE OPTION SCHEME (Continued)

The closing price of the Share immediately before the date on which the share options were granted was HK\$0.035 and the average closing price of the latest five trading days before the granted date was HK\$0.0344.

The Company adopts the Black-Scholes OPM model to estimate the value of a share option. The fair value of share options was valued by an independent valuer namely as LCH (Asia-Pacific) Surveyors Limited.

The fair value of the share options granted on 25 September 2006 was approximately HK\$3,597,000 according to the Black-Scholes OPM model with the following parameters, and is expenses over the respective vesting periods:

- Risk free interest rate per annum is 3.56% for the First Exercisable Option, 3.6% for 50% of the Second Exercisable Option and 3.62% for the remaining 50% of the Second Exercisable Option respectively (being the yield of 1 and 2 years HKMA exchange fund note/bill quoted at the date of valuation).
- Expected volatility is 100.45% per annum (being the Company's 180 days historical share prices before the date of valuation generated from Bloomberg).
- Indicated Option Value (HK\$ per share) is 0.0113 for the First Exercisable Option, 0.0133 for 50% of the Second Exercisable Option and 0.0153 for the remaining 50% of the Second Exercisable Option respectively.

### 31. 購股權計劃 (續)

股份在緊接購股權授出日期前之收市價為0.035港元，而在授出日期前最後五個交易日之平均收市價為0.0344港元。

本公司採用柏力克—舒爾斯期權定價模式估計購股權之價值。購股權之公平值由獨立估值師利駿行測量師有限公司估值。

根據柏力克—舒爾斯期權定價模式及以下參數，於二零零六年九月二十五日授出之購股權之公平值約為3,597,000港元，並於相關歸屬期列支：

- 首批可行使購股權、50%之第二批可行使購股權及餘下50%之第二批可行使購股權之無風險利率分別為每年3.56%、3.6%及3.62%（即於估值日期報價之一年期及兩年期香港金管局外匯基金票據／債券之收益率）。
- 預期波幅為每年100.45%（即彭博所發佈本公司於估值日期前之180日歷史股價）。
- 首批可行使購股權、50%之第二批可行使購股權及餘下50%之第二批可行使購股權之指示購股權價值（每股港元）分別為0.0113、0.0133及0.0153。



## 財務報表附註

### Notes to the Financial Statements

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

#### 31. SHARE OPTION SCHEME (Continued)

- Share Options will be exercised once transfer of shares is permitted.
- Dividend yield: assume no dividend in the valuation (according to the past 3 year's financial data for equity securities of the Company).

As at 24 June 2007, no share option was exercised and the first exercisable options have been lapsed.

On 14 December 2006, the Company passed a resolution of Capital Reorganisation by the shareholders at the special general meeting involving:

- the capital reduction involves a reduction in the nominal value of each existing share in issued and unissued of HK\$0.01 to HK\$0.005;
- the share consolidation were be implemented whereby 20 existing shares of HK\$0.005 each in the issued or unissued share capital of the Company resulting from the capital reduction will be consolidated into one consolidated Share of HK\$0.10. As a result, the share options subscription price need to be consolidated at HK\$0.70 per share at 15 December 2006.

#### 31. 購股權計劃 (續)

- 於允許轉讓股份後，購股權即可行使。
- 息率假設估值中並無股息（根據本公司股本證券過去三年之財務數據）。

於截至二零零七年六月二十四日止，第一批購股權沒有被行使而自動終止。

於二零零六年十二月十四日，本公司股東於股東特別大會通過一項股本重組決議案當中涉及：

- 削減股本，涉及將每股已發行及未發行現有股份之面值由0.01港元削減至0.005港元。
- 實行之股份合併，據此，本公司已發行或未發行股本中因股本削減所產生之每20股每股面值0.005港元現有股份將合併為一股面值0.10港元之合併股份。因此，購股權認購價須於二零零六年十二月十五日合併為每股0.70港元。



## 財務報表附註 Notes to the Financial Statements

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

### 31. SHARE OPTION SCHEME (Continued)

### 31. 購股權計劃 (續)

	Number of Share Options to be offered 授予之購股權數目	Subscription Price per Share 每股認購價	Option Commencing 開始	Period Expiring 終結
<b>Executive Director</b>				
<b>執行董事</b>				
Mr. Tang Kuan Chien 唐貫健先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Tang Wei Lun 唐偉倫先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Lam Chi Yin Henry 林智然先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Cheung Ming Leung Denver <sup>1</sup> 張明良先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
<b>Non-executive Director</b>				
<b>獨立執行董事</b>				
Mr. Hung Shean-I 洪顯一先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Wong Nai Ping 黃乃平先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Mr. Au Kwok Yee Benjamin 歐國義先生	140,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
<b>Other employees</b> <b>其他僱員</b>	13,070,000	HK\$0.70 0.70港元	25th Sept 2006 二零零六年九月二十五日	24th Mar 2008 二零零八年三月二十四日
Sub-total (B) 小計	14,050,000			

Note:

- Resigned on 27th June 2007.

附註:

- 於二零零七年六月二十七日辭任。

### 32. RESERVES

#### (a) GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The contributed surplus of the Group arose as a result of the Group reorganisation prior to its public listing on 2 October 1995 and represents the difference between the nominal value of the shares of the former holding company of the Group acquired pursuant to the Group reorganisation, over the nominal value of the shares of the Company issued in exchange therefor.

### 32. 儲備

#### (a) 本集團

本集團之儲備及其於年內及過往年度變動之金額已載於綜合權益變動表內。

本集團之實繳盈餘因本集團於一九九五年十月二日公開上市前進行集團重組而產生，乃相等於根據本集團重組而收購本集團前控股公司之股本面值，扣除因該宗收購而發行之本公司股本面值後所得差額。



## 財務報表附註 Notes to the Financial Statements

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

### 32. RESERVES (Continued)

#### (a) GROUP (Continued)

Share-based payment reserve represent the fair value of employee services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve.

#### (b) COMPANY

### 32. 儲備 (續)

#### (a) 本集團 (續)

以股份支付之款項儲備指估計僱員於有關歸屬期間提供服務以換取授出有關期權之公平值。儲備總額乃根據期權授出當日之公平值計算。各期間之金額乃將期權公平值於有關歸屬期間(如有)攤分而計算,並確認為員工成本及相關開支,而以股份支付之款項儲備則相應增加。

#### (b) 本公司

		Share premium account HK\$'000 股份溢價賬 千港元	Contributed surplus HK\$'000 實繳盈餘 千港元	Share-based payment HK\$'000 以股份支付之款項 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總計 千港元
At 1 April 2005	於二零零五年 四月一日	188,386	159,393	-	(403,554)	(55,775)
Issue of new shares	發行新股份	20,460	-	-	-	20,460
Share issue expenses	新股份開支	(273)	-	-	-	(273)
Conversion of convertible bonds	兌換可換股債券	52,740	-	-	-	52,740
Reduction of share premium account	削減股份溢價賬	(254,421)	-	-	254,421	-
Loss for the year	年內虧損	-	-	-	(5,562)	(5,562)
At 1 April 2006	於二零零六年 四月一日	6,892	159,393	-	(154,695)	11,590
Capital reduction (note 30)	股本削減 (附註30)	-	-	-	25,726	25,726
Share option (note 31)	購股權(附註31)	-	-	1,785	-	1,785
Rights issue (note 30)	供股發行(附註30)	7,718	-	-	-	7,718
Loss for the year	年內虧損	-	-	-	(3,667)	(3,667)
At 31 March 2007	於二零零七年 三月三十一日	14,610	159,393	1,785	(132,636)	43,152



## 財務報表附註 Notes to the Financial Statements

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

### 32. RESERVES (Continued)

#### (b) COMPANY (Continued)

The contributed surplus of the Company arose as a result of the Group reorganisation referred to in note 32(a), and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefor.

Share-based payment reserve referred to 32(a) represent the fair value of employees services estimated to be received in exchange for the grant of the relevant vesting periods.

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

(a) During the year, the Group disposed of its entire interests in Luen Fat Hong Investment Limited, Champion City Limited and Full Happy Limited at a consideration of HK\$4,040,000. The net assets of the disposed subsidiaries at the date of disposal are summarised as follows:

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Investment in joint venture	共同控制企業之權益	3,889
Cash and bank balances	現金及銀行結餘	4
Other payables and accruals	其他應付賬款及應計款項	(26)
Interest-bearing other borrowings	其他計息借貸	(833)
		3,034
Gain on disposal of subsidiaries	出售一間附屬公司之盈利	1,006
Satisfied by:	出資：	
Cash consideration received	已收現金代價	4,040

### 32. 儲備 (續)

#### (b) 本公司 (續)

本公司之實繳盈餘乃由附註32(a)所述之集團重組計劃所產生，乃相等於被收購之附屬公司當時剩餘之合併資產淨值，扣除因該宗收購而發行之本公司股本面值後所得差額。

附註32(a)所述的以股份支付之款項儲備指估計僱員於有關歸屬期間提供服務以換取授出期權之公平值。

### 33. 現金流動報表附註

(a) 本集團於年度內，以4,040,000港元出售Luen Fat Hong Investment Limited、Champion City Limited及富式有限公司之所有權益。被出售之附屬公司淨資產於出售日之總結如下：





## 財務報表附註

### Notes to the Financial Statements

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

#### 33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

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

		HK\$'000 千港元
Cash consideration received	已收之現金代價	4,040
Cash and bank balances disposed of	出售之銀行現金及結餘	(4)
		4,036

The subsidiaries disposal did not contribute significantly to the Group's revenue and net loss for the current year.

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

- (i) During the year ended 31 March 2006, 252,073,520 ordinary shares of HK\$0.01 each in the Company were issued at a price of HK\$0.2 per share, amounting to HK\$50,415,000 in total, pursuant to the conversion terms, rights and conditions of the 1.5% CBs of HK\$50,415,000.
- (ii) During the year ended 31 March 2006, the Group entered into a finance lease arrangement in respect of an item of property, plant and equipment with a capital value at the inception of the lease of approximately HK\$900,000.

#### 33. 現金流動報表附註 (續)

有關出售附屬公司之現金及等同現金項目之流入淨額分析如下：

		HK\$'000 千港元
Cash consideration received	已收之現金代價	4,040
Cash and bank balances disposed of	出售之銀行現金及結餘	(4)
		4,036

出售附屬公司對本集團年內之收益及虧損淨額貢獻不重要。

#### (b) 主要非現金交易

- (i) 於截止根據50,415,000港元之1.5%可換股債券之兌換條款、權利及條件、本公司權利及條件、本公司每股面值0.01港元之252,073,520股普通股年內以每股0.2港元之價格發行，總額相當於50,415,000港元。
- (ii) 於截止二零零六度三月三十一日，本集團就一項物業、廠房及設備訂立融資租約安排，訂立租約之資本總值約為900,000港元。



## 財務報表附註

### Notes to the Financial Statements

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

#### 34. CONTINGENT LIABILITIES

At the balance sheet date, the Group's contingent liabilities not provided for in the financial statements were as follows:

Guarantees of banking facilities granted to independent third parties 向獨立第三方授出之銀行信貸擔保

#### 34. 或然負債

於結算日，財務報表並無提供之本集團或然負債如下：

2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>7,086</b>	7,692

#### 35. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office premises, factory premises and staff quarters under operating lease arrangements. Leases for premises are negotiated for terms ranging from two to seven years. The terms of the leases generally require the Group to pay deposits.

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

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

#### 35. 經營租約安排

本集團根據經營租約安排租用其辦公室物業、工廠物業及員工宿舍。就物業租約，所商定之租約期介乎兩至七年。租約之條款一般要求本集團支付按金。

於結算日，根據本集團根據不可撤銷經營租約而於下列期間到期應付之未來最少賬款總額如下：

2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>3,605</b>	1,620
<b>1,566</b>	3,116
<b>5,171</b>	4,736



## 財務報表附註 Notes to the Financial Statements

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

### 36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following commitments at the balance sheet date:

### 36. 承擔

除上文附註35所述經營租約承擔外，本集團於結算日有下列承擔：

	Notes 附註	GROUP 本集團		COMPANY 本公司	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Contracted, but not provided for:					
Capital contribution to a subsidiary	(a)	10,854	22,017	-	-
Prepaid lease payments	(b)	8,853	8,409	-	-
Acquisition of an equity interest in a company	(c)	-	120,000	-	-
Construction of a production plant		3,374	-	-	-
		<b>23,081</b>	150,426	-	-
Authorised, but not contracted for:					
Construction of a production plant		-	18,000	-	18,000
		<b>23,081</b>	168,426	-	18,000



## 財務報表附註 Notes to the Financial Statements

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

### 36. COMMITMENTS (Continued)

- (a) A contracted commitment was in respect of capital contribution to a subsidiary (the "Subsidiary") operating in Mainland China amounting to US\$1,390,000 (equivalent to approximately HK\$10,854,000) at 31 March 2007, which was due for payment in June 2004. Directors of the Company intend to contribute the remaining capital to the subsidiary within 12 months after the balance sheet date.
- (b) The Group had unprovided commitments of RMB8,746,000 (equivalent to approximately HK\$8,853,000) in respect of the land premium for a parcel of land located in Dongguan, the PRC.
- (c) On 13 December 2005, Fullson, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (the "Agreement") with Hebei Cangzhou Chemical Group (the "Vendor"), a joint stock company with limited liability established in the PRC, to acquire 12% (50,470,400 state-owned shares, or the "Sale Shares") of the existing issued share capital of Cangzhou Chemical Industrial Co., Ltd. ("Cangzhou Chemical"), at a maximum cash consideration of HK\$120 million (hereinafter referred to as the "Acquisition"). The Acquisition constitutes a very substantial acquisition of the Company under the Listing Rules. In order to finance the Acquisition, the Company entered into a conditional placing agreement (the "Placing Agreement") with an agent on the same date (hereinafter referred to as the "Placing").

### 36. 承擔 (續)

- (a) 就向於中國大陸經營之附屬公司(「附屬公司」)的資本貢獻之訂約承擔於二零零七年三月三十一日為1,390,000美元(相等於約10,854,000港元)·款項已於二零零四年六月到期。本公司董事預期於結算日後十二個月內向附屬公司貢獻餘下之資本
- (b) 本集團就一幅位於中國東莞之地塊之土地出讓金之未撥備承擔為人民幣8,746,000元(相等於約8,853,000港元)。
- (c) 於二零零五年十二月十三日·本公司全資擁有之附屬公司富新與於中國成立之有限責任公司河北滄州化工集團(「賣方」)訂立有條件之買賣協議(「該協議」)·以收購Cangzhou Chemical Industrial Co., Ltd.(「滄州化工」)現有已發行股本之12%(50,470,400股國有股份·或「銷售股份」)·總代價最多為120,000,000港元(以下稱為「該收購事項」)·該收購事項根據上市規則佔本公司收購事項極大部分。為資助該收購事項·本公司與代理人於同日訂立有條件配售協議(「配售協議」)(以下稱為「配售」)。



## 財務報表附註

# Notes to the Financial Statements

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

### 36. COMMITMENTS (Continued)

Cangzhou Chemical is established in the PRC as a joint stock company with limited liability, of which 72.7% of the issued shares are state-owned, non-freely circulating shares (the "Non-Circulating Shares") and the remaining 27.3% of its existing issued shares are currently listed and traded on The Shanghai Stock Exchange (the "Circulating A-Shares"). Cangzhou Chemical is principally engaged in the sale and manufacturing of chemical materials, the wholesaling and retailing of plastic products and building materials as well as the sale and manufacturing of cement.

Pursuant to the Agreement, the Vendor had granted Fullson an option to further acquire 20,559,600 shares in Cangzhou Chemical currently held by the Vendor, representing approximately 4.88% of the existing issued share capital of Cangzhou Chemical.

The Agreement and the Placing Agreement were duly approved by the shareholders of the Company at a special general meeting held on 13 April 2006 (the "Original Condition Fulfillment Date"). Since some of the conditions set forth in the Agreement have not been fulfilled as at the balance sheet date and the Original Condition Fulfillment Date, the Company has, at the request of the Vendor, agreed to extend the Original Condition Fulfillment Date to 13 July 2006.

### 36. 承擔 (續)

滄州化工於中國成立為有限責任公司，其中72.7%之已發行股份屬國家擁有、非自由流通股（「非流通股股份」），餘下27.3%之現有已發行股份（「流通A股」）現已於上海證券交易所上市及買賣。滄州化工主要從事銷售及生產化學材料、批發及零售塑膠產品及建築材料，以及銷售及生產水泥。

根據該協議，賣方已授予富新進一步收購賣方現時持有滄州化工之20,559,600股股份之選擇權，該等股份相當於滄州化工現有已發行股本之約4.88%。

本公司股東於二零零六年四月十三日（「原訂該等條件達成日期」）舉行之特別股東大會中正式批准該協議及配售協議。由於該協議載列之一些條件於結算日及原訂該等條件達成日期仍未達成，本公司已按賣方要求同意延遲原訂該等條件達成日期至二零零六年七月十三日。



## 財務報表附註 Notes to the Financial Statements

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

### 36. COMMITMENTS (Continued)

Pursuant to the Company's announcement dated 13 July 2006, certain conditions set forth in the Agreement have not been fulfilled at the same date and the Vendor is still in the course of obtaining approvals from the relevant PRC authorities in relation to the disposal of the Sale Shares to Fullson. Upon receiving a notice of request from the Vendor, the directors of the Company have agreed to further extend the Original Condition Fulfillment Date to 13 January 2007. (the "Extended Conditions Fulfillment Date")

Pursuant to the Company's announcement dated 13 January 2007, all conditions set forth in the Agreement have not been fulfilled by the Extended Conditions Fulfillment Date, the Agreement has automatically terminated on the same day.

### 37. RELATED PARTY TRANSACTIONS

- (a) In addition to those transactions and balances disclosed elsewhere in these financial statements, the Group also had the following significant transactions with related parties during the year:
- (i) Certain of the Group's loan facilities were supported/pledged by personal guarantees executed by certain directors of the Company and the spouse of one of the directors of the Company, as further disclosed in note 26 to the financial statements.
  - (ii) In last year, Wealthguard Investment Limited, being a substantial shareholder of the Company, waived HK\$11,100,000 of the secured term loan.

### 36. 承擔 (續)

根據本公司於二零零六年七月十三日發出之公佈，該協議載列之若干條件於當日並未達成，而賣方仍正就向富新出售銷售股份向相關中國機關取得批文。收到賣方之要求通知後，本公司董事同意進一步延遲原訂該等條件達成日期至二零零七年一月十三日(「經延長該等條件達成日期」)。

根據本公司二零零七年一月十三日之公告，由於買賣協議之所有先決條件均未能於經延長該等條件達成日期前達成，協議於同日自動取消。

### 37. 關連人士關交

- (a) 務報表其他地方所披露之該等交易及結餘外，於年內，本團與關連人士亦有以下重要交易：
- (i) 本集團若干貸款融資由本公司若干董事及本公司一名董事之妻子簽立之個人擔保，作為支持／抵押，進一步詳情於財務報表附註26披露。
  - (ii) 上年度，本公司主要股東 Wealthguard Investment Limited已免除11,100,000港元之有抵押定期貸款。



## 財務報表附註

# Notes to the Financial Statements

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, finance leases, cash and short term deposits. The Group has various other financial assets and liabilities such as accounts and bills receivables and accounts and bills payables, which arise directly from its operations.

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

#### Cash flow interest rate risk

The interest rate of the interest-bearing bank and other borrowings of the Group are disclosed in note 26 to the financial statements. Directors of the Company believe its exposure to cash flow interest rate risk is minimal.

### 38. 財務風險管理目標與政策

本集團之主要金融工具包括透支、計息銀行借貸、融資租賃以及現金和短期存款。本集團有若干其他金融資產及負債，如直接自其業務產生之應收賬款及票據及應付貿易賬款及票據。

本集團金融工具所產生之主要風險為現金流量利率風險、外匯風險、信貸風險及流動資金風險。董事會檢核並同意下文所概述管理各項此等風險之政策。

#### 現金流量利率風險

本集團之計息之銀行及其他借貸利率於本財務報表附註26披露。本公司董事相信承受之現金利率風險輕微。



## 財務報表附註 Notes to the Financial Statements

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk

The Group's monetary assets, liabilities and transactions were principally denominated in Hong Kong dollars ("HKD"), RMB ("RMB") and United States Dollars ("USD"). As all of the Group's production plants are based in the People's Republic of China, most wages and salaries and manufacturing overheads are mainly denominated in RMB. Hence, appreciation of the RMB against USD during the year had affected the loss of the Group.

The management has adopted a plan to mitigate the impact of USD depreciation in relation of RMB by the way of convert group's assets in terms of USD in PRC to RMB.

#### Liquidity risk

The Group maintains a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. The directors of the Company have reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

#### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis.

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

### 38. 財務風險管理目標與政策 (續)

#### 外幣風險

本集團之貨幣資產及負債主要以港元、人民幣及美元為單位。由於本集團全部廠房均位於中華人民共和國，故大部份工資及薪金及間接費用主要以人民幣為單位，故人民幣升值已對本集團虧損已造成影響。

本集團已採取相對措施將集團於中華人民共和國內之美元資產轉為以人民幣為單位致使減低美元貶值之影響。

#### 流動資金風險

本集團透過計息之銀行及其他借貸，維持資金持續供應及靈活性之間之平衡。本公司董事已檢討本集團之營運資金及資本支出需求，並認為本集團並無重大之流動資金風險。

#### 信貸風險

本集團僅與獲確認及有信譽之第三方進行交易。本集團會對以賒賬方式交易之客戶進行信貸審查。此外，應收賬款結餘亦會作定期審閱。

由於本集團僅與獲確認及有信譽之第三方進行交易，因此一般情況下無需要取得抵押品。





## 財務報表附註

### Notes to the Financial Statements

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

#### 39. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, other than those disclosed elsewhere in the financial statements, the following significant event has taken place:

Subsequent to the balance sheet date, a wholly owned subsidiary, Dongguan Best Faith Plastic Products Limited (DG Best Faith) had applied for an increase of registered capital by US\$3,570,000 from US\$6,430,000 to US\$10,000,000, which has been approved on 7 June 2007.

Subsequent to the balance sheet date, Dongguan Bestway Plastic Manufactory (DG Bestway) originally had four production lines in existing, two of production lines will move to its wholly owned subsidiary, DG Best Faith located at Shi Shui Kou Villiage, Qiao Tou Town, Dongguan City. And the remaining of two production lines in DG Bestway were disposal to a third party namely as 揭陽市中誠化學工業有限公司 at a total consideration price of RMB6,800,000 which has a net book value of RMB2,785,925. A gain of RMB3,524,075 was arised from the disposal after the expense.

#### 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 July 2007.

#### 39. 結算日後事項

結算日後，除載於本財務報表者外，有以下重大事項發生：

緊隨年結日後，一間全資附屬公司東莞百信塑膠製品有限公司（「東莞百信」）申請增加資本3,570,000美元，將註冊資本由6,430,000美元增加至10,000,000美元獲得批准。

董事決定執行集中策略，為更好控制日常運作特別是生產、採購及財務控制。故將東莞百威塑膠廠（「東莞百威」）原有四條生產線，其中兩條生產線已遷移至其位於東莞市橋頭鎮石水口村之全資附屬公司東莞百信。其餘兩條位於東莞百威之生產線以人民幣6,800,000元之價錢出售予第三者揭陽市中誠化學工業有限公司。該兩條生產線之賬面值是人民幣2,785,925元。扣除費用後獲利人民幣3,524,075元。

#### 40. 批准財務報表

財務報表由董事會於二零零七年七月十八日批准及通過。