



YARDWAY GROUP LIMITED

啟帆集團有限公司

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 0646)



Annual Report **2008** 年報

Contents 目錄

Corporate Information	公司資料	2
Financial Highlights	財務概要	5
Chairman's Statement	主席報告	6
Management Discussion and Analysis	管理層討論及分析	7
Biographical Details of Directors	董事簡歷	11
Report of the Directors	董事會報告	15
Corporate Governance Report	企業管治報告	33
Independent Auditor's Report	獨立核數師報告	49
Consolidated Income Statement	綜合收益表	51
Consolidated Balance Sheet	綜合資產負債表	52
Balance Sheet	資產負債表	54
Consolidated Statement of Changes in Equity	綜合權益變動表	55
Consolidated Cash Flow Statement	綜合現金流量表	56
Notes to the Financial Statements	財務報表附註	58
Summary of Properties	物業概要	154
Five Year Financial Summary	五年財務概要	156

Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Li Song Xiao (*Chairman*)
Mr. Yuan Kun
Ms. Song Xuan
Mr. Lu Zhao Qun
Mr. Xu Xiao Yang (*appointed on 21 July 2008*)

Non-executive Director:

Mr. Yin Jie

Independent Non-executive Directors:

Mr. Cui Yong
Mr. Gao Ling
Mr. Zhang Qing Lin

AUDIT COMMITTEE

Mr. Gao Ling (*Chairman*)
Mr. Cui Yong
Mr. Zhang Qing Lin

REMUNERATION COMMITTEE

Mr. Cui Yong (*Chairman*)
Mr. Gao Ling
Mr. Zhang Qing Lin

NOMINATION COMMITTEE

Mr. Cui Yong (*Chairman*)
Mr. Gao Ling
Mr. Zhang Qing Lin

COMPANY SECRETARY

Mr. Ching Yin Kay, Mason

董事會

執行董事：

鄺松校先生 (*主席*)
元崑先生
宋宣女士
蘆昭群先生
徐小陽先生 (*於二零零八年七月二十一日獲委任*)

非執行董事：

殷杰先生

獨立非執行董事：

崔勇先生
高嶺先生
張青林先生

審核委員會

高嶺先生 (*主席*)
崔勇先生
張青林先生

薪酬委員會

崔勇先生 (*主席*)
高嶺先生
張青林先生

提名委員會

崔勇先生 (*主席*)
高嶺先生
張青林先生

公司秘書

程彥棋先生

Corporate Information 公司資料

AUDITORS

CCIF CPA Limited
20/F, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

REGISTERED OFFICE

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman KY1-1111
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1605A
Office Tower
Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRARS

Bank of Butterfield International (Cayman) Ltd.
P.O. Box 705
Butterfield House
68 Fort Street
George Town
Grand Cayman
Cayman Islands
British West Indies

核數師

陳葉馮會計師事務所有限公司
香港
銅鑼灣
希慎道10號
新寧大廈20樓

註冊辦事處

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman KY1-1111
Cayman Islands
British West Indies

香港總辦事處及主要營業地點

香港
灣仔
港灣道1號
會展廣場
辦公大樓
1605A室

股份過戶登記總處

Bank of Butterfield International (Cayman) Ltd.
P.O. Box 705
Butterfield House
68 Fort Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Corporate Information 公司資料

HONG KONG BRANCH SHARE REGISTRARS

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

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited

COMPANY WEBSITE

www.equitynet.com.hk/0646

股份過戶登記處香港分處

卓佳標準有限公司
香港
皇后大道東 28 號
金鐘匯中心 26 樓

主要往來銀行

星展銀行(香港)有限公司
恒生銀行有限公司

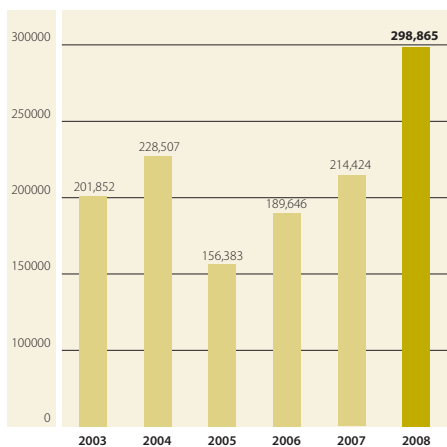
公司網站

www.equitynet.com.hk/0646

Financial Highlights 財務概要

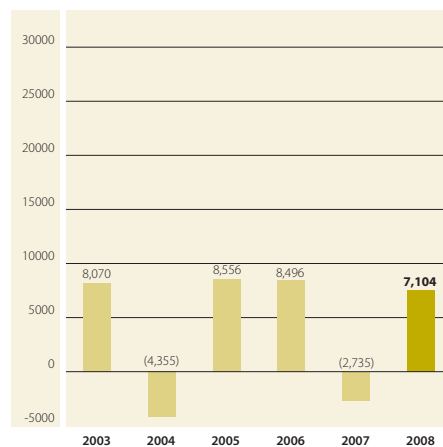
Turnover 營業額

HKS'000 千港元



Net Profit/(Loss) 溢利/(虧損)淨額

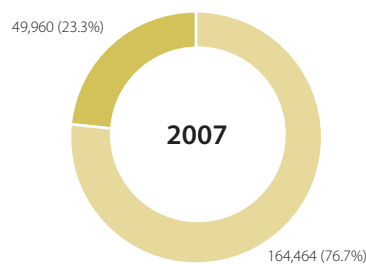
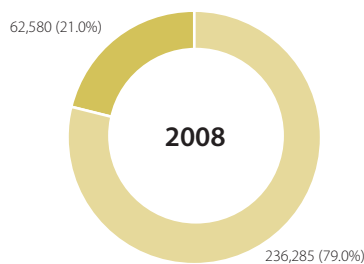
HKS'000 千港元



Turnover Analysis by Business Activities

HKS'000 千港元

按業務劃分之營業額分析

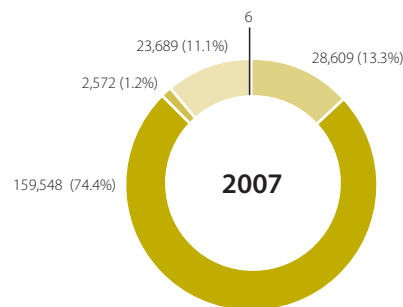
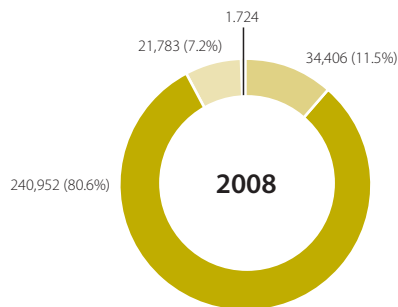


- Sales and distribution 銷售及分銷
- Provision of engineering service and sales of spare parts 提供工程服務及銷售零件

Turnover Analysis by Geographical Area

HKS'000 千港元

按地區劃分之營業額分析



- Hong Kong 香港
- The United States of America 美國
- Europe 歐洲
- Other parts of the People's Republic of China ("PRC") 中華人民共和國（「中國」）其他地區
- Others 其他

Chairman's Statement 主席報告

On behalf of the Board of Directors of Yardway Group Limited (the "Company") and its subsidiaries (collectively the "Group"), it gives me pleasure to present to the shareholders the annual report of the Company for the year ended 31 March 2008.

The Group's turnover amounted to HK\$298,865,000 for the year ended 31 March 2008, representing an increase of 39.4% as compared to the previous year. The profit attributable to equity shareholders of the Company amounted to HK\$7,104,000 (2007: loss of HK\$2,735,000). The Board does not recommend any payment of final dividend for the year ended 31 March 2008 (2007: nil).

It is encouraging to note that the Group successfully returned to profitability during the year, mainly due to strong sales and some sizeable projects completed during the year under review. Riding on the Group's strong sales network in China and experience in supplying transport related equipment, the Group recorded a surge in turnover. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section.

The economy in 2008 has created a very challenging business environment for the Group. We continued to face keen competition from some of our competitors. The Group's turnover was mainly generated from successful bids of competitive bidding. In response to this non-recurring turnover, the Group will remain cautious in seeking out different investment opportunities and will diversify into business segments which will bring higher returns to our shareholders.

Lastly, I would like to thank all of our suppliers, customers, business partners and shareholders who have supported us this year. I also would like to thank all our staff members for their dedicated services to the Group.

On behalf of the Board.

Li Song Xiao
Chairman

Hong Kong, 24 July 2008

本人謹代表啟帆集團有限公司(「本公司」)董事會及其附屬公司(統稱「本集團」)欣然向股東呈報本公司截至二零零八年三月三十一日止年度之年報。

本集團截至二零零八年三月三十一日止年度之營業額為298,865,000港元，較上年增加39.4%。本公司股權持有人應佔溢利為7,104,000港元(二零零七年：虧損2,735,000港元)。董事會建議不就截至二零零八年三月三十一日止年度派付任何末期股息(二零零七年：無)。

令人振奮的是，主要由於在回顧年度銷售強勁以及完成若干大型項目，本集團於年內成功扭虧為盈。憑著本集團在中國之強大銷售網絡及在供應運輸相關設備方面之經驗，本集團營業額急升。本集團以往表現之進一步詳情載於「管理層討論及分析」一節。

二零零八年的經濟為本集團帶來極具挑戰之營商環境。本公司繼續面對來自若干競爭對手之激烈競爭。本集團的營業額主要來自在競投中成功中標的項目。因應該非經營性營業額，本集團仍將審慎尋求不同之投資多元化，並將發展至機會可為股東帶來更高回報之業務門類。

最後，本人謹對本集團之供應商、客戶、業務夥伴及股東於年內對本集團之鼎力支持，以及全體員工對本集團之精誠服務，致以衷心謝意。

代表董事會

主席
鄺松校

香港，二零零八年七月二十四日

Management Discussion and Analysis 管理層討論及分析

RESULTS

For the year ended 31 March 2008, the Group posted a record high turnover of about HK\$298,865,000, representing an increase of about 39.4% compared to that of 2007. The Group turned loss to profit with its profit attributable to equity shareholders was about HK\$7,104,000 (2007: loss of HK\$2,735,000). Gross profit margin was approximately 16.8% as compared to 18.1% in last year, while excluding the commission effect in the turnover, the gross profit margin increased from 12.9% in 2007 to 14.6% in 2008.

BUSINESS REVIEW

During the year, our business has been growing continuously in the People's Republic of China ("PRC") although we faced intense competition. Majority of our revenue was generated from PRC and it was believed to be continued in the future. For the year under review, the Group had completed a few sizeable projects in supplying the railway maintenance equipment to the end users, such as Beijing Metro and China Railway Construction Corporation. The growth driver of the turnover was mainly attributable to the strong demand for railway maintenance equipment.

For the year ended 31 March 2008, distribution costs of the Group recorded an amount of approximately HK\$20,598,000 (2007: HK\$20,804,000). The distribution costs was fairly stable as compared with last year. Administrative expenses of the Group for the year amounted to approximately HK\$36,763,000 (2007: HK\$24,753,000), representing an increase of approximately 48.5% as compared with last year. These expenses included additional expenditure related to the legal and professional fees and printing expenses for the general offer in October 2007. The increased staff costs and rent during the year also led to the increase of the administration expenses.

業績

截至二零零八年三月三十一日止年度，本集團錄得營業額新高約298,865,000港元，較二零零七年上升約39.4%。本集團成功轉虧為盈，股權持有人應佔溢利約為7,104,000港元（二零零七年：虧損2,735,000港元）。毛利率約為16.8%，去年則為18.1%，扣除佣金對營業額之影響後，毛利率由二零零七年之12.9%上升至二零零八年之14.6%。

業務回顧

年內，儘管面對劇烈競爭，本集團於中華人民共和國（「中國」）之業務仍然不斷增長。本集團大部分收益來自中國，相信此一趨勢未來將會持續。回顧年內，本集團已完成多項大型項目向如北京地鐵及中國鐵道建築總公司等終端用戶供應鐵路維修設備。營業額之增長動力主要來自對鐵路維修設備之強勁需求。

截至二零零八年三月三十一日止年度，本集團之分銷成本約為20,598,000港元（二零零七年：20,804,000港元）。分銷成本與上年相比相對穩定。年內，本集團之行政費用約為36,763,000港元（二零零七年：24,753,000港元），較去年增加約48.5%。該等費用包括有關二零零七年十月全面收購建議之法律與專業費用以及印刷成本等額外開支。此外，出售附屬公司產生一項額外壞賬撥備。年內，員工成本及租金上漲亦導致行政費用增加。

Management Discussion and Analysis 管理層討論及分析

Following the change of controlling shareholder in October 2007, the Group has undertaken a review of the business operation. In October 2007, the Group had separated with our joint venture partner due to our different development directions. The disposal of the jointly controlled entities resulted a gain of HK\$4,658,000. In November 2007 and January 2008, the Group disposed of its loss subsidiaries so that the Group can concentrate its resources on the development of the core business. The disposal resulted in gain of HK\$295,000. During the year under review, the Group also disposed one of the investment properties in Hong Kong. Although the gain on disposal is insignificant, this transaction had enhanced the Group's cash position. The Group also benefited from the appreciation of Renminbi. The change in fair value of properties of approximately HK\$1,160,000 was reflected in the profit and loss account.

PROSPECTS

Looking forward, the management believes that the major challenge to the Group is inflation in the PRC which increases the operating cost and other expenditure of PRC operations.

The continuous growth of the PRC economy boosted the demand for the infrastructure equipment. The Group will continue to seek the new business opportunities with prudence. The management believes that with the sustained growth of the PRC market, there would be increasing demand of infrastructure equipment; however such increase may come slower than anticipated as the slow down of the infrastructure development in Beijing during the Olympic Games period.

APPRECIATION

The Directors and Management would like to take this opportunity to express their sincere gratitude to all the staff members for their commitment and contribution to the Group for the past year.

二零零七年十月控股股東變動後，本集團對業務經營進行檢討。於二零零七年十月，本集團由於發展方向不同而與其合營夥伴分道揚鑣。出售共同控制實體產生收益4,658,000港元。二零零七年十一月及二零零八年一月，本集團出售虧損附屬公司，以集中資源發展核心業務。該出售事項帶來收益295,000港元。回顧年內，本集團亦已出售其中一項位於香港之投資物業。儘管出售事項之收益不大，該項交易加強了本集團之現金狀況。本集團亦從人民幣升值中得益。物業之公允值變動約1,160,000港元已反映於損益賬。

展望

展望未來，管理層相信本集團面對之主要挑戰為中國之通脹情況，這將令中國業務之經營成本及其他開支增加。

中國經濟持續增長令基建設備需求增加。本集團將繼續審慎找尋商機。管理層相信，中國市場持續增長將令基建設備需求不斷增加。然而，增加速度可能因奧運期間北京基建發展放緩而較預期放慢。

致謝

董事及管理層藉此機會對全體員工於過去一年之勤勉及對本集團之貢獻致以衷心謝意。

Management Discussion and Analysis 管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2008, the Group had 132 employees (2007: 130 employees). The remuneration policy and packages are reviewed annually by the management and the Remuneration Committee. The Group remunerates its employees based on their performance, work experience and the prevailing market price. The remuneration packages include basic salary, double pay, commission, insurance and mandatory provident fund. The Group operates a share options scheme for the purpose of providing incentives and rewards to eligible directors and employees of the group to recognise their contribution to the success of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

Liquidity

The Group continued to maintain a solid financial position. As at 31 March 2008, cash and bank balances including pledged fixed deposits of the Group were HK\$71,079,000 (2007: HK\$55,467,000). The cash and bank balances consisted of about 71% in Hong Kong dollars, 14% in US dollars, 11% in Renminbi, 2% in Euro, and 2% in other currencies.

As at 31 March 2008, the Group had total assets of HK\$284,187,000 (2007: HK\$224,961,000) and total liabilities of HK\$162,499,000 (2007: HK\$118,370,000). As at 31 March 2008, the current ratio was 1.47 (2007: 1.47), calculated on the basis of current assets of HK\$228,452,000 (2007: HK\$162,333,000) over current liabilities of HK\$155,860,000 (2007: HK\$110,663,000).

The Group's bank borrowings amounted to HK\$18,293,000 (2007: HK\$23,977,000). The Group's borrowings, denominated in Hong Kong dollars, United States dollars and Euro, mainly comprise trust receipt loans, invoice financing loans and mortgage loans bearing floating interest rates. The Group's gearing ratio, being the ratio of the total borrowings to total assets, was 7% (2007: 11%).

僱員及薪酬政策

於二零零八年三月三十一日，本集團擁有132名僱員（二零零七年：130名）。酬金政策及組合由管理層及薪酬委員會每年進行檢討。本集團之酬金政策乃按僱員之工作表現、工作經驗及現行市價而釐定。本集團之酬金組合包括基本薪金、雙糧、佣金、保險及強制性公積金。本集團設有一項購股權計劃，以向本集團之合資格董事及僱員提供獎勵及報酬，以表揚其對本集團之成功作出之貢獻。

流動資金及財務資源

流動資金

本集團維持穩健之財政狀況。於二零零八年三月三十一日，本集團之現金及銀行結餘（包括抵押定期存款）合共71,079,000港元（二零零七年：55,467,000港元）。現金及銀行結餘包括約71%為港元、14%為美元、11%為人民幣、2%為歐元及2%為其他貨幣。

於二零零八年三月三十一日，本集團之資產總值為284,187,000港元（二零零七年：224,961,000港元），負債總額為162,499,000港元（二零零七年：118,370,000港元）。於二零零八年三月三十一日，按流動資產228,452,000港元（二零零七年：162,333,000港元）除以流動負債155,860,000港元（二零零七年：110,663,000港元）之基準計算，流動比率為1.47（二零零七年：1.47）。

本集團之銀行借款為18,293,000港元（二零零七年：23,977,000港元）。本集團之借款主要按浮動利率以港元、美元及歐元結算，主要包括信託收據貸款、發票融資貸款及按揭貸款。本集團資產與負債比率（即借款總額與資產總值比率）則為7%（二零零七年：11%）。

Management Discussion and Analysis 管理層討論及分析

Foreign exchange exposure and hedging

The Group's majority sales transactions are denominated in United States dollars, Renminbi and Hong Kong dollars while the purchases transactions are mainly denominated in Euro. As such, the Group is exposed to foreign exchange risk. The Group made use of forward contracts to hedge its foreign exchange exposure in order to reduce net exposure to currency fluctuations.

Charge on Assets

As at 31 March 2008, certain of the Group's land and buildings and investment properties with an aggregate carrying value amounting to HK\$17,000,000 (2007: HK\$30,600,000) and bank deposits of HK\$8,348,000 (2007: HK\$10,309,000) were pledged with the banks to secure banking facilities granted to the Group. Included in pledged bank deposits are denominated in Renminbi Yuan 1,626,000 (2007: RMB3,944,000) which are pledged by the Group's wholly owned subsidiary in Zhuhai, the PRC.

匯兌風險及對沖

本集團大部分銷售交易以美元、人民幣及港元等貨幣結算，而採購交易則多以歐元結算。因此，本集團承擔外匯風險。本集團透過利用遠期合約對沖匯兌風險，以減低貨幣波動之淨風險。

資產抵押

於二零零八年三月三十一日，本集團將賬面總值17,000,000港元(二零零七年：30,600,000港元)之若干土地、樓宇及投資物業以及銀行存款8,348,000港元(二零零七年：10,309,000港元)抵押予銀行，以取得銀行向本集團提供之銀行信貸。已抵押銀行存款中包括以人民幣結算之款項1,626,000元(二零零七年：人民幣3,944,000元)，由本集團於中國珠海之全資附屬公司作出抵押。

Biographical Details of Directors 董事簡歷

EXECUTIVE DIRECTORS

Mr. Li Song Xiao, aged 42, is the Chairman of the Board and an Executive Director of the Company. He has extensive experience in property management and development in the PRC. He is currently the vice-chairman of the Housing Industry Association of All China Federation of Industry Commerce and the assistant head of the Consolidate Development Committee of the Research Committee of Real Estate and Accommodation in the PRC. He is also the chairman and controlling shareholder of Neo-China Land Group (Holdings) Limited, the shares of which are listed on the Stock Exchange.

Mr. Yuan Kun, aged 34, is an Executive Director of the Company. Mr. Yuan has over 10 years of experience in the fields of finance and investment. He has worked for the investment banking division of Hai Tong Securities Limited in the PRC. He holds an accounting degree from Macquarie University. He is currently an executive director of Neo-China Land Group (Holdings) Limited, the shares of which are listed on the Stock Exchange.

Mr. Lu Zhao Qun, aged 48, is an Executive Director of the Company. Mr. Lu is currently the general manager of Yardway Logistics Equipment (Zhuhai) Co., Ltd., a wholly-owned subsidiary of the Company. He has over 10 years of experience in the management of PRC enterprises and a listed company. Mr. Lu holds a bachelor degree of arts from Qinghai Normal University and a master degree in senior executive business administration from Peking University. Mr. Lu is an executive director of Neo-China Land Group (Holdings) Limited, the shares of which are listed on the Stock Exchange.

執行董事

鄺松校先生，42歲，董事會主席及本公司執行董事。彼在中國物業管理及發展擁有豐富經驗。彼現為中華全國工商聯合會房地產行業協會副主席，亦為中國房地產及住房研究委員會綜合發展委員會助理主管。彼亦為中新地產集團(控股)有限公司(其股份在聯交所上市)之主席兼控股股東。

元崑先生，34歲，本公司執行董事。元先生在財務及投資領域擁有逾10年經驗。彼曾在中國海通證券有限公司投資銀行部門工作。彼持有Macquarie University之會計學位。彼現為中新地產集團(控股)有限公司(其股份在聯交所上市)之執行董事。

蘆昭群先生，48歲，本公司執行董事。蘆先生現為本公司全資附屬公司啟帆物流設備(珠海)有限公司之總經理。彼在管理中國企業及上市公司方面積逾10年經驗。彼持有青海師範大學文學士學位，以及北京大學高級行政人員工商管理碩士學位。蘆先生為中新地產集團(控股)有限公司(其股份在聯交所上市)之執行董事。

Biographical Details of Directors 董事簡歷

EXECUTIVE DIRECTORS (CONTINUED)

Ms. Song Xuan, aged 44, is an Executive Director of the Company. She has extensive experience in accounting and finance. She holds a bachelor degree in economics from Beijing Union University. She was an executive director of Neo-China Land Group (Holdings) Limited, the shares of which are listed on the Stock Exchange, from 31 March 2005 to 15 June 2006.

Mr. Xu Xiao Yang, aged 41, is an Executive Director of the Company. He has over 10 years of experience in foreign trading, logistics, energy, education and real property businesses. Before joining the Company, he has worked as an executive director of Australian International Investment Group and Australia Queensland Education Investment Group. Mr. Xu graduated from Beijing Foreign Language Institute and was major in English.

NON-EXECUTIVE DIRECTOR

Mr. Yin Jie, aged 40, is a Non-Executive Director of the Company. He has over 14 years of experience in the field of finance and accounting. He holds a bachelor degree in Management Engineering from Beijing Institute of Technology, the PRC and a master degree in Economic from the Central University of Finance and Economics, the PRC. He is a certified public accountant registered in the PRC, Chinese certified public valuer and Chinese certified public tax consultant. He is currently the general manager of Finance Department of China National Aviation Corporation (Group) Limited.

執行董事(續)

宋宣女士，44歲，本公司執行董事。彼在會計及財務方面有豐富經驗。彼持有北京聯合大學經濟學士學位。彼於二零零五年三月三十日至二零零六年六月十五日曾擔任中新地產集團(控股)有限公司(其股份在聯交所上市)之執行董事。

徐小陽先生，41歲，本公司執行董事。彼在對外貿易、物流、能源、教育及房地產業務擁有逾10年經驗。於加入本公司前，彼為澳大利亞國際投資集團及澳大利亞昆士蘭教育投資集團之執行董事。徐先生於北京外國語學院畢業，主修英語。

非執行董事

殷杰先生，40歲，本公司非執行董事。彼在財務及會計方面擁有逾14年經驗。彼持有中國北京理工大學管理工程學士學位及中國中央財經大學經濟學碩士學位。彼為中國註冊會計師、中國註冊評估師及中國註冊稅務師。彼現為中國航空(集團)有限公司財務部總經理。

Biographical Details of Directors 董事簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Qing Lin, aged 65, is an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee. He has extensive experience in property construction. He has been the deputy director, director-general and secretary of both the National Planning Committee and the Administrative Bureau for Construction of the National Ministry of Construction, and the deputy general manager of China State Construction Engineering Group. He is currently a committee member of the National Committee of the Chinese People's Political Consultative Conference, he is also a part-time professor of the International Project Management Research Institute of Tsinghua University, the president of the Engineering Project Management Committee of Construction Industry Association of China and a fellow member of the Royal Institute of British Architects. He is an independent non-executive director of Neo-China Land Group (Holdings) Limited, the shares of which are listed on the Stock Exchange. Mr. Zhang is also an independent non-executive director of China Railway Group Limited, the A shares and H shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange respectively.

Mr. Gao Ling, aged 53, is an Independent Non-Executive Director of the Company. He is also the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He does not hold any other position with the Company or other members of the Group. He has extensive experience in accounting. He received a master degree in politics and laws from Capital Normal University, the PRC. Mr. Gao is a certified public accountant, certified economist and certified asset valuer in the PRC. Mr. Gao is an independent non-executive director of Neo-China Land Group (Holdings) Limited,

獨立非執行董事

張青林先生，65歲，本公司獨立非執行董事。彼亦為審核委員會、提名委員會及薪酬委員會成員。彼在物業建築行業擁有豐富經驗。彼曾擔任國家計委、國家建設部施工管理局副局長、局長及司長，中國建築工程總公司副總經理。彼現為中國人民政治協商會議全國委員會（全國政協）委員、清華大學國際項目管理研究院兼職教授、中國建築業項目管理委員會的主席及英國皇家特許建築師學會資深會員。彼為中新地產集團（控股）有限公司（其股份在聯交所上市）之獨立非執行董事。張先生亦為中國中鐵股份有限公司（其A股及H股分別在上海證交所及聯交所上市）之獨立非執行董事。

高嶺先生，53歲，本公司獨立非執行董事。彼亦為審核委員會主席以及提名委員會及薪酬委員會成員。彼概無擔任本公司或本集團其他成員公司任何其他職務。彼於會計方面擁有豐富經驗。彼在中國首都師範大學取得政治及法律碩士學位。高先生為中國註冊會計師、註冊經濟師及註冊資產評估師。高先生為中新地產集團（控股）有限公司之獨立非執行董事。

Biographical Details of Directors 董事簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Cui Yong, aged 33, is an Independent Non-Executive Director of the Company. He is also the chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee. He does not hold any other position with the Company or other members of the Group. Mr. Cui holds a master degree in economics and a doctoral degree in economics from the Renmin University of China. He was an executive president of an investment advisory company in the PRC. He is currently an independent non-executive director of Zhongshan Vantage Gas Appliance Stock Co., Ltd., a company listed on the Shenzhen Stock Exchange.

獨立非執行董事(續)

崔勇先生，33歲，本公司獨立非執行董事。彼亦為題名委員會及薪酬委員會主席以及審核委員會成員。彼概無擔任本公司或本集團其他成員公司任何其他職務。崔先生持有中國人民大學金融學士學位、經濟碩士學位及經濟博士學位。彼曾為中國投資顧問公司之執行總裁。彼現時為中山華帝燃具股份有限公司(一間於深圳證券交易所上市之公司)之獨立非執行董事。

Report of the Directors 董事會報告

The directors submit herewith their annual report together with the audited financial statements for the year ended 31 March 2008.

PRINCIPAL PLACE OF BUSINESS

Yardway Group Limited (“the company”) is a company incorporated in the Cayman Islands and has its principal place of business at Unit 1605A, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 19 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the company and its subsidiaries (“the group”) during the financial year are set out in note 15 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the group’s sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總和
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總和

At no time during the year have the directors, their associates or any shareholder of the company (which to the knowledge of the directors owns more than 5% of the company’s share capital) had any interest in these major customers and suppliers.

董事會全人提呈截至二零零八年三月三十一日止年度之年報及經審核財務報表。

主要營業地點

啟帆集團有限公司(「本公司」)為一間在開曼群島註冊成立之公司，其主要營業地點為香港灣仔港灣道1號會展廣場辦公大樓1605A室。

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務及其他詳情載列於財務報表附註19。

本公司及其附屬公司(「本集團」)於本財政年度之主要活動及經營地區分析載列於財務報表附註15。

主要客戶及供應商

本集團於本財政年度之主要客戶及供應商分別佔本集團銷售及採購額之資料如下：

Percentage of the group’s total 佔本集團總額百分比	
Sales 銷售	Purchases 採購

11%	
47%	
	13%
	43%

本公司之董事、彼等之聯繫人士或任何股東(據董事所知持有本公司股本5%以上者)概無於本年度任何時間擁有該等主要客戶或供應商之任何權益。

Report of the Directors 董事會報告

FINANCIAL STATEMENTS

The profit of the group for the year ended 31 March 2008 and the state of the company's and the group's affairs as at that date are set out in the financial statements on pages 51 to 153.

TRANSFER TO RESERVES

Profit attributable to shareholders, before dividends, of HK\$6,790,000 (2007: loss of HK\$2,603,000) have been transferred to reserves. Other movements in reserves are set out in note 32 to the financial statements.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in Property, Plant and Equipment of the group during the year are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the company during the year are set out in note 31 to the financial statements. Shares were issued during the year on exercise of share options.

There were no purchases, sales or redemptions of the company's listed securities by the company or any of its subsidiaries during the year.

財務報表

本集團截至二零零八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第51頁至第153頁之財務報表內。

轉撥至儲備

未扣除股息前之股東應佔溢利6,790,000港元(二零零七年：虧損2,603,000港元)已轉撥至儲備。其他儲備變動載列於財務報表附註32。

董事不建議就截至二零零八年三月三十一日止年度派發末期股息(二零零七年：零)。

物業、廠房及設備

本集團於年內之物業、廠房及設備變動詳情載於財務報表附註17。

股本

本公司於年內之股本變動詳情載於財務報表附註31。於本年度因行使購股權而發行股份。

本公司或其任何附屬公司於年內並無購買、出售或贖回任何本公司之上市證券。

Report of the Directors 董事會報告

DIRECTORS

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

Executive directors

Li Song Xiao (Chairman)	(appointed on 21 Sept 2007)
Yuan Kun	(appointed on 21 Sept 2007)
Song Xuan	(appointed on 21 Sept 2007)
Lu Zhao Qun	(appointed on 21 Sept 2007)
Fong Kit Wah, Alan	(resigned on 11 Oct 2007)
Rourke James Grierson	(resigned on 11 Oct 2007)
Cheung Miu Sin	(resigned on 11 Oct 2007)

Non-executive director

Yin Jie

Independent non-executive directors

Gao Ling	(appointed on 21 Sept 2007)
Cui Yong	(appointed on 21 Sept 2007)
Zhang Qing Lin	(appointed on 11 Oct 2007)
Wong Man Chung, Francis	(resigned on 11 Oct 2007)
Chan Ting Kwong	(resigned on 11 Oct 2007)
Fung Siu Wan, Stella	(resigned on 11 Oct 2007)

The following executive director was appointed after the end of the financial year

Xu Xiao Yang (appointed on 21 July 2008)

Mr. Li Song Xiao, Mr. Yuan Kun, Mr. Lu Zhao Qun, Ms. Song Xuan and Mr. Xu Xiao Yang will retire from the offices as Executive Directors and Mr. Zhang Qing Lin, Mr. Gao Ling and Mr. Cui Yong will retire from the offices as Independent Non-Executive Directors at the forthcoming annual general meeting in accordance with article 112 of the company's articles of association. Mr. Yin Jie will retire from the office as Non-Executive Director at the forthcoming annual general meeting in accordance with article 108(A) of the Company's articles of association. All retiring Directors, being eligible, will offer themselves for re-election.

董事

於本財政年度內及至本報告刊發日期為止的董事如下：

執行董事

鄺松校(主席)	(於二零零七年九月二十一日獲委任)
元崑	(於二零零七年九月二十一日獲委任)
宋宣	(於二零零七年九月二十一日獲委任)
蘆昭群	(於二零零七年九月二十一日獲委任)
方傑華	(於二零零七年十月十一日辭任)
Rourke James Grierson	(於二零零七年十月十一日辭任)
張妙仙	(於二零零七年十月十一日辭任)

非執行董事

殷杰

獨立非執行董事

高嶺	(於二零零七年九月二十一日獲委任)
崔勇	(於二零零七年九月二十一日獲委任)
張青林	(於二零零七年十月十一日獲委任)
黃文宗	(於二零零七年十月十一日辭任)
陳廷光	(於二零零七年十月十一日辭任)
馮少雲	(於二零零七年十月十一日辭任)

以下執行董事於本財政年度結束之後獲委任

徐小陽 (於二零零八年七月二十一日獲委任)

根據本公司組織章程細則第112條，鄺松校先生、元崑先生、蘆昭群先生、宋宣女士及徐小陽先生於應屆股東週年大會將退任執行董事職務，而張青林先生、高嶺先生及崔勇先生將退任獨立非執行董事職務。根據本公司組織章程細則第108(A)條，殷杰先生於應屆股東週年大會將退任非執行董事職務。所有退任董事符合資格，均將膺選連任。

Report of the Directors 董事會報告

DIRECTORS' SERVICE CONTRACTS

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

董事之服務合約

本集團並無與應屆股東週年大會上提名連任之董事訂立不可於一年內免付賠償(法定賠償除外)予以終止之服務合約。

DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES

The directors of the company who held office at 31 March 2008 had the following interests in the shares of the company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests required to be kept under section 352 of the SFO:

董事於股份及相關股份之權益

於二零零八年三月三十一日即根據證券及期貨條例第352條規定，須將董事及高級行政人員之權益存置登記冊之日期在任之本公司董事於本公司、其控股公司、附屬公司及其他相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份中擁有以下權益：

Interests in issued shares of the company

於本公司已發行股份之權益

Name of director 董事姓名	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股				Total number of shares held 所持股份總數	% of total issued shares 佔已發行 股份總數 百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Li Song Xiao 鄺松校	-	-	144,156,000	-	144,156,000	50.01

DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES (CONTINUED)

Note:

These shares are registered in the name of and beneficially owned by Happy City Holdings Limited ("Happy City"), a company incorporated in the British Virgin Islands ("BVI"), and whose entire issued share capital is wholly-owned by Li Song Xiao.

Apart from the foregoing, as at 31 March 2008, none of the directors of the company or any of their spouses or children under eighteen years of age has interests in the shares and underlying shares of the company, or any of its holding company, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SHARE OPTION SCHEME

The company has a share option scheme which was adopted on 28 March 2002, whereby the directors of the company are authorised, at their discretion, to invite employees of the group, including directors of any company in the group, to take up options at a nominal consideration to subscribe for shares of the company. The purpose of the scheme is to provide an opportunity for employees of the group to acquire an equity participation in the company and to encourage them to work towards enhancing the value of the company and its shares for the benefit of the company and its shareholders as a whole. The share option scheme shall be valid and effective for a period of ten years ending on 27 March 2012, after which no further options will be granted.

於本公司已發行股份及相關股份之權益(續)

附註：

該等股份以 Happy City Holdings Limited (「Happy City」) 之名義登記並由其實益擁有，該公司在英屬處女群島 (「英屬處女群島」) 註冊成立，其全部已發行股本由鄭松校全資擁有。

除上述者外，於二零零八年三月三十一日，按照根據證券及期貨條例第352條規定所存置之登記冊所示，或就本公司根據上市公司董事進行證券交易之標準守則所知悉，本公司董事或其任何配偶或未滿十八歲之子女概無於本公司、其任何控股公司、附屬公司或其他相聯法團之股份及相關股份中擁有權益。

購股權計劃

本公司於二零零二年三月二十八日採納一項購股權計劃，據此，本公司董事獲授權酌情邀請本集團之僱員 (包括本集團任何公司之董事) 按象徵式代價接受購股權以認購本公司股份。該計劃目的是提供機會給本集團僱員購入本公司股份，以及鼓勵彼等為本公司及其股東整體之利益，以本公司及其股份之增值為目標而努力工作。購股權計劃之生效及有效時間至二零一二年三月二十七日止，為期十年，其後將不會授出進一步購股權。

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the SEHK on the date of grant and the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant, 13 November 2006. The options vest in four equal instalments with the first installment vesting from the date of grant. The second, third and fourth instalments vest from one, two and three years after the date of grant respectively. The options are exercisable after the vesting date but within a period of five years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the company.

The total number of securities available for issue under the share option scheme as at 31 March 2008 was 6,400,000 shares which represents 2.22% of the issued share capital of the company at 31 March 2008. The number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the company's ordinary shares in issue.

Offer of an option shall have been accepted when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance of HK\$1 is received within such time as may be specified in the offer, which shall not be later than 7 days from the date of offer. The share option scheme will expire on 27 March 2012.

On 20 September 2007, share offer was made to all the holders of the shares, 10,424,000 shares under the share offer were accepted by the offeror parties. Taking into account the 10,424,000 shares accepted under the share offer and the 133,732,000 shares already held by the offeror parties, the offer parties in aggregate held 144,156,000 shares, represent 51.1% of the issued share capital of the company. Accordingly, the condition of the offers has been fulfilled and the offers have become unconditional. The share offer was closed on 25 October 2007.

購股權計劃(續)

購股權之行使價為以下之最高者：股份面值、於授出日期股份在聯交所之收市價及緊接授出日期(二零零六年十一月十三日)前五個營業日股份在聯交所之平均收市價。購股權分四期平均歸屬，而第一期自授出日期起歸屬。第二、三及四期分別於授出日期後一年、二年及三年起歸屬。購股權可於歸屬日期後行使，惟須於授出日期起五年期間內行使。每份購股權賦予持有人權利認購本公司一股普通股。

根據購股權計劃於二零零八年三月三十一日可予發行的證券總數為6,400,000股股份，相當於本公司於二零零八年三月三十一日已發行股本之2.22%。於任何十二個月期間因授予各參與者之購股權獲行使而已發行及將予發行之證券數目，上限為本公司已發行普通股之1%。

當本公司於授出指明之該時間內(不遲於授出日期起計7日內)接獲由承受人正式簽署接納認購權之函件副本，連同支付予本公司之1港元時，授出之認股權即被視為已獲接納。購股權計劃將於二零一二年三月二十七日屆滿。

於二零零七年九月二十日，向所有股份持有人提出售股建議。售股建議之10,424,000股股份獲要約方接納。經計及根據售股建議接納之10,424,000股股份及要約方已持有之133,732,000股股份，要約方合共持有144,156,000股股份，佔本公司已發行股本51.1%。因此，要約之條件已獲達成，要約已成為無條件。售股建議於二零零七年十月二十五日完成。

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

According to the share option scheme adopted on 28 March 2002, as the share offer made on 20 September 2007 to all the holders of the shares became unconditional, the option holders were, notwithstanding any other terms on which his options were granted, be entitled to exercise the option (to the extent not already exercised) to its full extent at any time thereafter and up to the close of the offer, on 25 October 2007.

At 31 March 2008, the directors and employees of the company had the following interests in options to subscribe for shares of the company (market value per share at 31 March 2008 was HK\$0.58) granted at nominal consideration under the share option scheme of the company. The options are unlisted. Each option gives the right to subscribe for one ordinary share of HK\$0.1 each of the company.

Share Option Scheme for the year ended 31 March 2008

Name or category of participant	No. of options outstanding at the beginning of the year 年初未行使之購股權數目	No. of options granted during the year 年內授出之購股權數目	No. of options exercised during the year 年內行使之購股權數目	Forfeited during the year 年內失效	No. of options outstanding at the year end 於年末未行使之購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權行使期限	Exercise price per share 每股行使價	Market value per share at date of grant 授出日期之每股股份市值
Directors 董事									
Fong Kit Wah, Alan 方傑華 (resigned on 11/10/2007) (於二零零七年十月十一日辭任)	650,000	-	-	(650,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21港元	HK\$0.21 0.21港元
	650,000	-	-	(650,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21港元	HK\$0.21 0.21港元
	650,000	-	-	(650,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21港元	HK\$0.21 0.21港元
	650,000	-	-	(650,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21港元	HK\$0.21 0.21港元

購股權計劃(續)

根據於二零零二年三月二十八日採納之購股權計劃，由於於二零零七年九月二十日向所有股份持有人提出的售股建議成為無條件，故儘管其獲授之購股權尚有其他條款，購股權持有人仍可於其後直至要約完成(二零零七年二月二十五日)隨時完全行使其購股權(以尚未行使者為限)。

於二零零八年三月三十一日，本公司董事及僱員於根據本公司購股權計劃可認購本公司股份(每股股份於二零零八年三月三十一日之市值為0.58港元)之購股權中擁有以下之權益。購股權乃非上市。各購股權賦予權利認購一股本公司每股面值0.1港元之普通股。

截至二零零八年三月三十一日止年度之購股權計劃

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Rourke James Grierson (resigned on 11/10/2007) (於二零零七年十月十一日辭任)	150,000	-	(150,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Cheung Miu Sin 張妙仙 (resigned on 11/10/2007) (於二零零七年十月十一日辭任)	150,000	-	(150,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Fung Siu Wan, Stella 馮少雲 (resigned on 11/10/2007) (於二零零七年十月十一日辭任)	150,000	-	(150,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Wong Man Chung, Francis 黃文宗 (resigned 11/10/2007) (於二零零七年十月十一日辭任)	150,000	-	(150,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Chan Ting Kwong 陳廷光 (resigned on 11/10/2007) (於二零零七年十月十一日辭任)	150,000	-	(150,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Lu Zhao Qun 蘆昭群 (appointed on 21/9/2007) (於二零零七年九月二十一日獲委任)	250,000	-	(248,000)	(2,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	-	(250,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	-	(250,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	-	(250,000)	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Directors (Continued)									
董事(續)									
Yin Jie 殷杰	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元
	250,000	-	(250,000)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至 二零零一年十一月十二日	HK\$0.21 0.21 港元	HK\$0.21 0.21 港元

Report of the Directors 董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Share Option Scheme for the year ended 31 March 2008 (Continued)

截至二零零八年三月三十一日止年度之購股權計劃(續)

Name or category of participant	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	Forfeited during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant
參與者姓名或類別	年初未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	年內失效	於年末未行使之購股權數目	授出日期	購股權行使期限	每股行使價	授出日期之每股股份市值
Employees 僱員	412,500	-	(412,500)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-06 to 12-Nov-2011 二零零六年十一月十三日至二零零一年十一月十二日	HK\$0.21	-
	412,500	-	(412,500)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-07 to 12-Nov-2011 二零零七年十一月十三日至二零零一年十一月十二日	HK\$0.21	-
	412,500	-	(412,500)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-08 to 12-Nov-2011 二零零八年十一月十三日至二零零一年十一月十二日	HK\$0.21	-
	412,500	-	(412,500)	-	-	13-Nov-06 二零零六年十一月十三日	13-Nov-09 to 12-Nov-2011 二零零九年十一月十三日至二零零一年十一月十二日	HK\$0.21	-

* The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

* 授予董事之購股權以董事(並為實益擁有人)之名稱註冊。

Being the weighted average closing price of the company's ordinary shares immediately before the dates on which the options were exercised, where applicable, was HK\$1.37.

即本公司普通股於購股權獲行使日期之加權平均收市價(如適用)1.37港元。

Information on the accounting policy for share options granted and the weighted average value per option is provided in note 2(r)(ii) and note 28 to the financial statements respectively.

有關已授出購股權之會計政策及每份購股權之加權平均價值之資料，分別載列於財務報表附註2(r)(ii)及附註28。

Apart from the foregoing, at no time during the year was the company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

除上述者外，本公司、其任何控股公司、附屬公司或同系附屬公司概無於年內任何時間參與任何安排，致使本公司董事可以透過收購本公司或任何其他法團之股份或債券而獲益。

Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The company has been notified of the following interests in the company's issued shares at 31 March 2008 amounting to 5% or more of the ordinary shares in issue:

主要股東於股份之權益

本公司已獲通知以下於二零零八年三月三十一日本公司已發行股份中佔已發行普通股5%或以上之權益：

Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股

Capacity 身份	Total number of ordinary shares held 所持普通股總數	Percentage of total issued shares 佔已發行股份總數百分比
Happy City Holdings Limited (note (a)) (附註(a))	Beneficial owner 實益擁有人 144,156,000	50.01%
Liu Hui (note (b)) 劉輝 (附註(b))	Interest of spouse 配偶權益 144,156,000	50.01%
Goodwell Group Invest Limited (note (c)) (附註(c))	Beneficial owner 實益擁有人 56,000,000	19.43%
China National Aviation Corporation (Group) Limited (note (c)) 中國航空集團有限公司 (附註(c))	Beneficial owner 實益擁有人 6,376,000	
	Interest held by a controlled corporation 受控法團所持權益 56,000,000	
	62,376,000	21.64%
China National Aviation Holding Company (note (c)) 中國航空(集團)有限公司 (附註(c))	Interest held by a controlled corporation 受控法團所持權益 62,376,000	21.64%

Notes:

- (a) The above interest held by Happy City Holdings Limited was also disclosed as the interest of Li Song Xiao in the section headed "Directors' Interests in shares" above.
- (b) Liu Hui was deemed to be interested in 144,156,000 ordinary shares of the company, being the interest held beneficially by her spouse, Li Song Xiao.
- (c) Goodwell Group Invest Limited was wholly owned by China National Aviation Corporation (Group) Limited, which in turn was wholly owned by China National Aviation Holding Company.

附註：

- (a) 上述由Happy City Holdings Limited持有的權益亦於上文「董事於股份之權益」一節披露為鄺松校所持權益。
- (b) 劉輝視為擁有其配偶鄺松校實益持有的本公司144,156,000股普通股權益。
- (c) Goodwell Group Invest Limited由中國航空(集團)有限公司全資擁有，而中國航空(集團)有限公司則由中國航空集團公司全資擁有。

Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the company and within the knowledge of the directors of the company as at the date of this annual report, the company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 38 to the financial statements, no contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the company's articles of association or the laws of the Cayman Islands which would oblige the company to offer new shares on a pro rata basis to its existing shareholders.

BANK LOANS AND OVERDRAFTS

Particulars of bank loans and other borrowings of the company and the group as at 31 March 2008 are set out in note 26 to the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the group for the last five financial years is set out on page 156 of the annual report.

PROPERTIES

Particulars of the major properties and property interest of the group are shown on pages 154 and 155 of the annual report.

主要股東於股份之權益(續)

除上述者外，本公司並無獲通知其他須記錄在根據證券及期貨條例第336條所存置之登記冊內之權益。

足夠公眾持股量

於本年報日期，根據本公司可公開取得之資料及就本公司董事會所知，本公司保持上市規則所指定之公眾持股量。

董事於合約之利益

除財務報表附註38所披露者外，本公司或其任何控股公司、附屬公司或同系附屬公司並無訂立任何本公司董事擁有重大利益，且於年底或年內任何時間仍然生效之重要合約。

優先購買權

本公司之公司組織章程細則或開曼群島法例均無載列有關優先購買權之條文，規定本公司須按比例向其現有股東發售新股。

銀行貸款及透支

本公司及本集團於二零零八年三月三十一日之銀行貸款及其他借款詳情載於財務報表附註26。

五年概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年報第156頁。

物業

本集團主要物業及物業權益之詳情，載列於年報第154及第155頁。

Report of the Directors 董事會報告

RETIREMENT SCHEMES

As from 1 December 2000, the group operates a Mandatory Provident Fund Scheme (the "MPF Scheme"), managed by an independent approved MPF trustee, under the requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

The MPF Scheme is a defined contribution retirement scheme. Under the MPF Scheme, the employer and its employees are each required to make contributions to the Scheme at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$20,000.

The employees in the group's PRC subsidiaries are members of the state-managed retirement schemes. The PRC subsidiaries are required to contribute a specified percentage of their payroll to these schemes. The only obligation of the group with respect to these retirement schemes is to make the specified contributions.

NON-ADJUSTING POST BALANCE SHEET EVENTS

Details of the non-adjusting post balance sheet events are set out in note 39 on the financial statements.

CONFIRMATION OF INDEPENDENCE

The company received from each of the INED an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and consider all the INED to be independent.

AUDITORS

KPMG resigned as auditors of the Company on 1 November 2007 while CCIF CPA Limited was appointed by the Board to fill the casual vacancy.

Apart from the foregoing, there were no other changes in auditors of the Company in any of the preceding three years.

CCIF CPA Limited shall retire and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCIF CPA Limited as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the Board

Li Song Xiao

Chairman

Hong Kong, 24 July 2008

退休計劃

自二零零零年十二月一日起，本集團根據香港強制性公積金計劃條例規定，為於香港僱傭條例之管轄下僱用之僱員提供由認可之獨立強制性公積金授託人管理之強制性公積金計劃（「強積金計劃」）。

強積金計劃為定額供款退休計劃。根據強積金計劃，僱主及僱員須各自按僱員相關收入之5%向強積金計劃供款，月薪上限為20,000港元。

本集團之中國附屬公司僱員乃國家管理退休金計劃之成員。中國附屬公司須向該等計劃供款，金額為工資之指定百分比。本集團之唯一責任乃向退休金計劃作出定額供款。

非調整結算日後事項

非調整結算日後事項之詳情載於財務報表附註39。

獨立性之確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立。

核數師

畢馬威會計師事務所於二零零七年十一月一日辭任本公司核數師，而董事會已委任陳葉馮會計師事務所有限公司，以填補臨時空缺。

除上述者外，本公司核數師於過往三年並無其他變動。

陳葉馮會計師事務所有限公司即將告退，惟符合資格並願膺選連任。有關續聘陳葉馮會計師事務所有限公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

主席

鄺松校

香港，二零零八年七月二十四日

Corporate Governance Report 企業管治報告

The Board of Directors (“the Board”) of the Company is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31 March 2008.

The manner in which the principles and code provisions in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) are applied and implemented are explained as follows:

CORPORATE GOVERNANCE PRACTICES

The Group strives to attain and maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests.

The Company recognises the importance of high standards of corporate governance to sustain healthy growth and has taken a proactive approach in strengthening corporate governance practices in accordance with the needs of its business.

The Company’s corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

Throughout the year ended 31 March 2008, the Company has complied with the code provisions set out in the CG Code, save for the deviations from code provisions A.2.1 and A.4.1 which are explained in the relevant paragraphs in this Report.

The Company has also put in place certain recommended best practices as set out in the CG Code.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the CG Code and align with the latest developments.

本公司董事會（「董事會」）欣然提交本集團截至二零零八年三月三十一日止年度年報所載之企業管治報告。

下文說明香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）之原則及守則條文之應用及實行：

企業管治常規

本集團致力恪守奉行高水平之企業管治，以提升股東價值及保障股東權益。

本公司肯定高標準企業管治對本公司健康持續增長之重要性，並已根據其業務需要採取積極步驟加強企業管治常規。

本公司之企業管治常規以企業管治守則所載之原則、守則條文及若干建議最佳常規為基礎。

於截至二零零八年三月三十一日止整個年度，本公司已遵守企業管治守則所載之所有守則條文，惟有關守則條文A.2.1及A.4.1之若干偏離情況除外，其詳情將於本報告有關段落中加以說明。

本公司亦已實行企業管治守則所載之若干建議最佳常規。

本公司將繼續增強與其業務經營及發展相適應之企業管治常規，並不時檢討其企業管治常規以確保其符合企業管治守則並與其最新發展一致。

Corporate Governance Report 企業管治報告

THE BOARD

RESPONSIBILITIES

The overall management of the Company's business is vested in the Board, which assumes the 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 take decisions objectively in the interests of the Company.

The senior management was delegated the authority and responsibilities by the Board for the day-to-day management and operations of the Group. In addition, the Board has also established Board committees and has delegated to these Board committees various responsibilities set out in their respective terms of reference.

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities.

BOARD COMPOSITION

The Company has adopted the recommended best practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive directors.

The Board of the Company comprises the following directors:

Executive Directors:

Li Song Xiao (Chairman)
Yuan Kun
Lu Zhao Qun
Song Xuan
Xu Xiao Yang (appointed on 21 July 2008)

董事會

責任

董事會負責整體管理本公司業務，承擔領導及控制本公司之責任，並透過領導及監督本公司事宜集體負責推動本公司之成功。全體董事均依據本公司利益客觀地作出決策。

董事會賦予高級管理層負責本集團日常管理及運作之權力及責任。另外，董事會亦已建立各董事會委員會，並賦予該等董事會委員會彼等各自職權範圍所載各種職責。

本公司已為董事及行政人員就其董事及高級管理層因企業經營活動所產生之法律訴訟責任作出適當之保險安排。

董事會之組成

本公司已奉行企業管治守則下之建議最佳常規，董事會成員之中至少三分之一為獨立非執行董事。

本公司董事會由以下董事組成：

執行董事：

鄺松校(主席)
元崑
蘆昭群
宋宣
徐小陽(於二零零八年七月二十一日獲委任)

Corporate Governance Report 企業管治報告

Non-Executive Director:

Yin Jie

Independent Non-Executive Directors:

Gao Ling

(Chairman of Audit Committee and Member of Remuneration Committee and Nomination Committee)

Cui Yong

(Chairman of Remuneration Committee and Nomination Committee and Member of Audit Committee)

Zhang Qing Lin

(Member of Audit Committee, Remuneration Committee and Nomination Committee)

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. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

None of the members of the Board is related to one another.

During the year ended 31 March 2008, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

All directors, including non-executive director and independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors are invited to serve on the Audit, Remuneration and Nomination Committees of the Company.

非執行董事：

殷杰

獨立非執行董事：

高岭(審核委員會主席，薪酬委員會及提名委員會成員)

崔勇(薪酬委員會及提名委員會主席，審核委員會成員)

張青林(審核委員會，薪酬委員會及提名委員會成員)

董事名單(分類)亦根據上市規則於本公司不時公佈之所有公司通訊中予以披露。本公司亦根據上市規則於所有通訊中明文列出各獨立非執行董事。

董事會成員間並無關係。

於截至二零零八年三月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，其中最少一名獨立非執行董事擁有適當專業資格，或會計或相關財務管理專長之規定。

本公司已收到每位獨立非執行董事根據上市規則須保持獨立性之年度書面確認函。本公司認為，根據上市規則載列之獨立性指引，所有獨立非執行董事均為獨立。

全體董事(包括非執行董事及獨立非執行董事)均為董事會帶來各種不同之寶貴營商經驗、知識及專業，使其有效率及有效地運作。獨立非執行董事獲邀加入本公司之審核、薪酬及提名委員會。

Corporate Governance Report 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

At present, the Company does not have any officer with the titled of “chief executive officer” and the Chairman of the Board provides overall leadership for the Board and the Group’s business. The daily management is shared among the executive directors and the senior management.

The Board shall review its structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

In accordance with the Company’s Articles of Association which were amended by a special resolution at the annual general meeting held on 22 August 2005 for the purpose of compliance with the CG Code, all directors of the Company are subject to retirement by rotation at least once every three years. Any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment and any new director appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting after appointment.

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

There is no service contract between the Company and Mr. Yin Jie, the non-executive director, Mr. Gao Ling, Mr. Cui Yong and Mr. Zhang Qing Lin, the independent non-executive directors. They were not appointed for any specific length of service with the Company.

主席及行政總裁

守則條文第A.2.1條訂明，主席及行政總裁之角色應有區分，並不應由一人同時兼任。

本公司現時並無任何高級職員擔任「行政總裁職務」而董事會主席全面領導董事會及本集團業務。日常管理由各執行董事及高級管理層分擔。

董事會將不時檢討其架構，以確保合適機會出現時採取適當行動。

董事之委任、重選及免任

根據本公司就符合企業管治守則而於二零零五年八月二十二日舉行之股東週年大會上以一項特別決議案方式修訂之組織章程細則，本公司全體董事須最少每三年輪值退任一次，而為填補臨時空缺而被委任之任何新董事應在接受委任後之首次股東大會上接受股東重選。任何被委任為董事會新增成員之新董事應在接受委任後之下一屆股東週年大會上接受股東重選。

守則條文第A.4.1條規定非執行董事須按指定任期委任，並須接受重選。

本公司並無與非執行董事殷杰先生及獨立非執行董事高岭先生、崔勇先生及張青林先生訂立服務合約。彼等並無與本公司訂立特定任期。

Corporate Governance Report 企業管治報告

Although the non-executive director and independent non-executive directors do not have a specific term of appointment, all directors of the Company are subject to retirement by rotation once every three years.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Cui Yong (Chairman), Mr. Gao Ling and Mr. Zhang Qing Lin, all of them are independent non-executive directors.

The principal duties of the Nomination Committee include:

- (a) To review the structure, size and composition of the Board and make recommendations regarding any proposed changes;
- (b) To develop and formulate relevant procedures for nomination and appointment of directors;
- (c) To identify suitable candidates for appointment as directors;
- (d) To make recommendations to the Board on appointment or re-appointment of and succession planning for directors; and
- (e) To assess the independence of the independent non-executive directors.

雖然非執行董事及獨立非執行董事均無特定委任任期，本公司全體董事須每三年輪值退任一次。

董事委任、重選及免任之程序及過程已於本公司組織章程細則內作出規定。提名委員會負責檢討董事會之組成、發展並制訂董事提名及委任之相關程序、監察董事之委任及接任計劃，並評估獨立非執行董事之獨立性。

提名委員會

提名委員會由三名成員組成，包括崔勇先生(主席)、高嶺先生及張青林先生。彼等均為獨立非執行董事。

提名委員會之主要職責包括：

- (a) 審閱董事會架構、規模及組成及就任何建議變動向董事會提供推薦意見；
- (b) 發展及制定提名及委任董事之相關程序；
- (c) 物色委任董事之合適人選；
- (d) 就委任及重新委任董事及董事接任計劃等事宜向董事會提供推薦意見；及
- (e) 評估獨立非執行董事之獨立地位。

Corporate Governance Report 企業管治報告

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

The Nomination Committee met once during the year ended 31 March 2008 and reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company and the attendance records are set out under "Directors' Attendance Records" on page 41.

In accordance with the Company's Articles of Association, Mr. Li Song Xiao, Mr. Yuan Kun, Mr. Lu Zhao Qun and Ms. Song Xuan, having been appointed as executive directors and Mr. Gao Ling, Mr. Cui Yong and Mr. Zhang Qing Lin, having been appointed as independent non-executive directors of the Company during the year, shall retire and being eligible, offer themselves for re-election at the next forthcoming annual general meeting. In addition, Mr. Xu Xiao Yang, having been appointed as executive director of the Company on 21 July 2008, shall retire and being eligible, offer himself for re-election at the next forthcoming annual general meeting. Furthermore, Mr. Yin Jie shall retire by rotation and being eligible, offer himself for re-election at the next forthcoming annual general meeting.

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

A circular containing detailed information of the directors standing for re-election at the forthcoming annual general meeting would be sent to the shareholders.

提名委員會參考董事候選人之技能、經驗、專業知識、個人誠信及投放之時間、本公司之需要以及其他相關法定規定及規例，執行甄選及推薦董事候選人之程序。本公司於必要時可能委任外聘獵頭進行招聘及甄選工作。

截至二零零八年三月三十一日止年度，提名委員會曾舉行一次會議，檢討董事會之架構、規模及組成，以確保專業知識、技能及經驗並重，配合本公司業務所需。出席記錄載於第41頁之「董事出席記錄」下。

根據本公司之組織章程細則，鄺松校先生、元崑先生、蘆昭群先生及宋宣女士（於年內獲委任為執行董事）與高嶺先生、崔勇先生及張青林先生（於年內獲委任為獨立非執行董事）須於應屆股東週年大會上輪值退任，並符合資格膺選連任。另外，徐小陽先生（於二零零八年七月二十一日獲委任為本公司執行董事）須於應屆股東週年大會上輪值退任，並符合資格膺選連任。再者，殷杰先生須於本公司應屆股東週年大會上輪值退任，並符合資格膺選連任。

提名委員會建議於本公司應屆股東週年大會上重新委任膺選連任之董事。

一份載有將於應屆股東週年大會膺選連任之董事詳細資料之通函將會寄予股東。

Corporate Governance Report 企業管治報告

INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Each newly appointed director shall receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Company shall consider to engage external legal and other professional advisers for providing professional briefing and training programmes to the directors. Continuing briefings and professional development to directors will be arranged whenever necessary.

BOARD MEETINGS

Board Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings and reasonable notice is generally given for other Board meetings. For committee meetings, notice is served in accordance with the required notice period stated in the relevant terms of reference.

Board papers together with all appropriate, complete and reliable information are sent to all directors/committee members at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The senior management, Financial Controller or Company Secretary attended some regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

董事入職及持續發展

每位新委任董事均將在首次接受委任時獲得全面、正式及專門為其而設之就任迎新介紹，以確保其對本公司之業務及運作均有適當之理解，以及全面認知其本身於上市規則及相關監管規定下對其責任及義務之要求。

本公司將考慮聘任外聘法律及其他專業顧問，為本公司董事提供專業意見和培訓計劃，亦將在需要時安排向董事提供持續意見及專業培訓。

董事會會議

董事會常規及會議之進行

全年會議時間表及每次會議草擬議程一般會事先向董事提供。

舉行會議前至少14日向所有董事送呈董事會定期會議通知，而其他董事會會議一般會發出合理通知。其他委員會會議，將按有關職權範圍所規定之通知期發出通知。

每次董事會會議或委員會會議前至少3日向全體董事／委員會成員寄發董事會文件連同所有適當、完整及可靠資料，以便董事瞭解本公司最新發展及財政狀況及使董事在知情情況下作出決定。於需要時，董事會及每位董事亦可單獨及獨立地聯絡高級管理層。

高級管理層，財務總監或公司秘書，出席若干定期董事會會議，且於需要時出席其他董事會及委員會會議，就本公司業務發展、財務及會計事項、遵守法規事宜、企業管治及其他重大事項提供意見。

Corporate Governance Report 企業管治報告

The Company Secretary/secretary of the Committees is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

The Company's Articles of Association contains provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

Directors' Attendance Records

During the year ended 31 March 2008, 11 Board meetings (of which 4 are regular Board meetings) were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The attendance records of each director at the meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee during the year ended 31 March 2008 are set out below:

公司秘書／委員會秘書負責所有董事會會議及委員會會議記錄並保存有關記錄。每次會議後通常於合理時間內交由董事傳閱會議記錄草稿並發表意見，其定稿可供董事查閱。

本公司組織章程細則載有有關規定，要求有關董事於批准彼等或其任何聯繫人士擁有重大利益之交易時放棄投票並不計入會議法定人數。根據目前董事會之慣例，涉及主要股東或董事之利益衝突之任何重大交易將由董事會於正式召開之董事會會議上審議及處理。

董事出席記錄

於截至二零零八年三月三十一日止年度，董事會已舉行十一次會議（其中四次為定期會議），大約每季度一次，以檢討及批准財務及經營業績並審議及批准本公司整體策略及政策。

截至二零零八年三月三十一日止年度每位董事於董事會、審核委員會、薪酬委員會及提名委員會會議之出席記錄載列如下：

Corporate Governance Report 企業管治報告

Name of Directors 董事姓名	Board 董事會	Attendance/Number of Meetings 會議出席率/次數		Nomination Committee 提名委員會
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	
Executive Directors:				
執行董事：				
Li Song Xiao 鄺松校	6/7	-	-	-
Yuan Kun 元崑	7/7	-	-	-
Lu Zhao Qun 蘆昭群	3/7	-	-	-
Song Xuan 宋宣	3/7	-	-	-
Fong Kit Wah, Alan (Resigned on 11 October 2007) 方傑華(於二零零七年十月十一日辭任)	4/5	-	-	-
Rourke James Grierson (Resigned on 11 October 2007) Rourke James Grierson(於二零零七年十月十一日辭任)	3/5	-	-	-
Cheung Miu Sin (Resigned on 11 October 2007) 張妙仙(於二零零七年十月十一日辭任)	4/5	-	-	-
Non-Executive Director:				
非執行董事：				
Yin Jie 殷杰	5/11	-	-	-
Independent Non-Executive Directors:				
獨立非執行董事：				
Gao Ling 高齡	2/7	1/1	1/1	1/1
Cui Yong 崔勇	2/7	1/1	1/1	1/1
Zhang Qing Lin 張青林	2/6	1/1	1/1	1/1
Wong Man Chung, Francis (Resigned on 11 October 2007) 黃文宗(於二零零七年十月十一日辭任)	2/5	1/1	-	-
Chan Ting Kwong (Resigned on 11 October 2007) 陳廷光(於二零零七年十月十一日辭任)	2/5	1/1	-	-
Fung Siu Wan, Stella (Resigned on 11 October 2007) 馮少雲(於二零零七年十月十一日辭任)	2/5	1/1	-	-

Corporate Governance Report 企業管治報告

Notes:

- (1) Mr. Li Song Xiao, Mr. Yuan Kun, Mr. Lu Zhao Qun, Ms. Song Xuan, Mr. Gao Ling and Mr. Cui Yong were appointed as executive directors and independent non-executive directors respectively on 21 September 2007.
- (2) Mr. Zhang Qing Lin was appointed as independent non-executive director on 11 October 2007.
- (3) As Mr. Xu Xiao Yang was appointed as executive director on 21 July 2008, his name was not included in the above attendance records.
- (4) Mr. Lu Zhao Qun has also attended one Audit Committee meeting, and the Remuneration Committee meeting and Nomination Committee meeting.

附註：

- (1) 鄺松校先生、元崑先生、蘆昭群先生、宋宣女士、高嶺先生及崔勇先生於二零零七年九月二十一日分別獲委任為執行董事及獨立非執行董事。
- (2) 張青林先生於二零零七年十月十一日獲委任為獨立非執行董事。
- (3) 由於徐小陽先生於二零零八年七月二十一日獲委任為執行董事，故上述出席記錄中並無包括其出席情況。
- (4) 蘆昭群先生亦有列席於一屆審核委員會會議、及薪酬委員會會議及提名委員會會議。

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 2008.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”) for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

DELEGATION BY THE BOARD

The Board takes responsibility for 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 (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

證券交易標準守則

本公司已採納上市規則附錄十載列之上市發行人董事進行證券交易標準守則(「標準守則」)之規定。

經向全體董事作出具體查詢後，董事確認彼等於截至二零零八年三月三十一日止年度期間一直遵守標準守則。

本公司亦就可能獲得本公司未經公佈股價敏感資料之僱員進行證券交易訂立條款，嚴格程度不遜於標準守則之書面指引(「僱員書面指引」)。

就本公司所知，並無僱員不遵守僱員書面指引之情況。

轉授董事會職能

董事會負責本公司所有重大事項，包括批准及監察所有政策事項、整體策略及預算、內部監控及風險管理制度、重大交易(尤其是可能涉及利益衝突之交易)、財務事項、董事之委任以及其他重大財務及經營事項。

Corporate Governance Report 企業管治報告

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company's website and are available to shareholders upon request.

The Board also has the full support of the senior management to discharge its responsibilities.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration and senior management of the Group. Details of the remuneration of each of the directors of the Company for the year ended 31 March 2008 are set out in note 9 to the financial statements.

全體董事均可充分和準時獲取所有相關資料及公司秘書之建議及服務，以確保遵守董事會處事程序及所有適用之規則及規例。每位董事一般可於適當情況下向董事會提出尋求獨立專業人士意見並由本公司支付開支之要求。

本公司之日常管理、行政管理及營運均轉授予高級管理層。董事會定期檢討有關職能及工作任務。上述高級職員進行任何重大交易前須獲取董事會之批准。

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監察本公司特定事務。本公司所有董事委員會均有書面界定之職權範圍，並已刊載於本公司網站，可應要求供股東查閱。

董事會在履行其責任時，亦獲得高級管理層之全力支持。

董事及高級管理層酬金

本公司已就制定本集團高級管理層薪酬之政策而設立正式及具透明度之程序。有關本公司各董事於截至二零零八年三月三十一日止年度之酬金詳情，載於財務報告附註9。

Corporate Governance Report 企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely Mr. Cui Yong (Chairman), Mr. Gao Ling and Mr. Zhang Qing Lin, all of them are independent non-executive directors.

The primary objectives of the Remuneration Committee include:

- (a) To make recommendations on the establishment of procedures for developing remuneration policy and structure of the executive directors and the senior management, such policy shall ensure that no director or any of his/her associates will participate in deciding his/her own remuneration;
- (b) To make recommendations on the remuneration packages of the executive directors and the senior management;
- (c) To review and approve the remuneration packages of the executive directors and the senior management by reference to the performance of the individual and the Company as well as market practice and conditions; and
- (d) To review and approve the compensation arrangements for the executive directors and the senior management.

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive directors and the senior management for the year under review.

薪酬委員會

薪酬委員會由三名成員組成，包括崔勇先生(主席)、高岭先生及張青林先生，全部均為獨立非執行董事。

薪酬委員會之主要目標包括：

- (a) 就發展執行董事及高級管理層之薪酬政策及架構確立程序提供意見，該等政策須確保董事或其任何聯繫人士不會參與決定其本身之薪酬；
- (b) 就執行董事及高級管理層之薪酬待遇提供意見；
- (c) 經參考個人及本公司之表現以及市場慣例與市況後審閱及批准執行董事及高級管理層之薪酬政策；及
- (d) 審閱及批准執行董事及高級管理層之薪酬安排。

人力資源部負責收集及管理人力資源資料並向薪酬委員會提出建議，以供其審議。薪酬委員會亦須就有關薪酬政策及架構及薪酬之建議諮詢本公司主席及董事總經理之意見。

薪酬委員會已審議回顧年度本公司之薪酬政策及架構，以及執行董事與高級管理層之薪酬。

Corporate Governance Report 企業管治報告

The Remuneration Committee held one meeting during the year ended 31 March 2008 and the attendance records are set out under “Directors’ Attendance Records” on page 41.

ACCOUNTABILITY AND AUDIT

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2008.

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

The Board received from the senior management the management accounts, explanation and relevant information which enable the Board to make an informed assessment for approving the financial statements.

INTERNAL CONTROLS

The Board, through the Audit Committee, has conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 March 2008 relating to corporate control environment and revenue for the year ended 31 March 2008. Such review covered the financial, operational, compliance and risk management aspects of the Group.

The Board has overall responsibility for the internal control system of the Company and for reviewing its effectiveness. The Board is also responsible for maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

截至二零零八年三月三十一日止年度，薪酬委員會曾舉行一次會議，而出席記錄載於第41頁之「董事出席記錄」下。

問責及審核

董事有關財務報表之責任

董事確認彼等編製截至二零零八年三月三十一日止年度本公司財務報表之責任。

董事會負責對上市規則及其他監管規定下所規定之年報及中期報告、股價敏感公告及其他披露資料作出平衡、清晰及易於理解之評估。

董事會由管理層取得管理賬目、解釋及有關資料，讓董事會可以就批准財務報表作出知情評審。

內部監控

於截至二零零八年三月三十一日止年度，董事會已透過審核委員會就企業管治環境及截至二零零八年三月三十一日止年度之收入檢討本集團內部監控制度之效能。該檢討涵蓋本集團之財務、營運、合規及風險管理。

董事會全面負責本公司之內部控制系統，並監察其效能。董事會亦負責維持足夠之內部監控制度，以保障股東之投資及本公司之資產。

Corporate Governance Report 企業管治報告

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management shall review and evaluate the control process and monitor any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

AUDIT COMMITTEE

The Audit Committee comprises three members, namely Mr. Gao Ling (Chairman), Mr. Cui Yong and Mr. Zhang Qing Lin, all of them are independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any), internal auditor or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

本集團之內部監控制度之設計乃為協助有效及有效率之運作，確保財務報告之可靠度及遵守適用法律及規例，識別及管理潛在風險，以及保障本集團之資產。高級管理層須定期檢討及評估監控程序，並監察任何風險因素，以及就任何調查結果，應付變動及已識別風險之措施向審核委員會作出報告。

審核委員會

審核委員會由三名成員組成，包括高岭先生(主席)、崔勇先生及張青林先生，全部均為獨立非執行董事(包括一名擁有適當專業資格或會計或相關財務管理技巧之獨立非執行董事)。概無審核委員會成員曾為本公司現有外聘核數師之前任合夥人。

審核委員會之主要職責包括以下各項：

- (a) 向董事會提交由合資格會計師、監察主任(如有)、內部核數師或外聘核數師提交之財務報表及報告前，審閱該等財務報表及報告以及審議彼等所提出任何重大或不尋常事項。
- (b) 根據外聘核數師之工作檢討與外聘核數師之關係、其費用及聘用條款並就外聘核數師之委任、重新委任及免職向董事會提出建議。
- (c) 檢討本公司財務申報制度、內部監控制度、風險管理制度及相關之程序是否充分及有效。

Corporate Governance Report 企業管治報告

During the year under review, the Audit Committee has reviewed the Group's interim and annual results and reports for the year ended 31 March 2008, the financial reporting and compliance procedures and risk management review and processes and the re-appointment of the external auditors.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no different view taken by the Audit Committee from the Board regarding the selection, appointment, resignation or dismissal of external auditors.

The Audit Committee held two meetings during the year ended 31 March 2008 and the attendance records are set out under "Directors' Attendance Records" on page 41.

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on pages 49 to 50.

The remuneration paid to the external auditors of the Company, CCIF CPA Limited, in respect of audit services and non-audit services for the year ended 31 March 2008 amounted to HK\$900,000 and HK\$133,000 respectively. The said non-audit services relate to due diligence and review of results announcement of the Company.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decision.

於回顧年度，審核委員會已審閱本集團截至二零零八年三月三十一日止年度之中期及年度業績及報告、財務申報及合規程序及風險管理審核及程序以及重新委任外聘核數師事宜。

本公司概無涉及可能對本公司持續經營能力產生重大疑問之事項或條件之重大不明朗因素。

就外聘核數師之挑選、委任、辭任或解聘而言，審核委員會與董事會並無意見分歧。

截至二零零八年三月三十一日止年度，審核委員會曾舉行兩次會議，而出席記錄載於第 41 頁之「董事出席記錄」下。

外聘核數師及核數師之酬金

本公司外聘核數師就其申報財務報表之責任所作出之聲明載於第 49 至 50 頁「獨立核數師報告」內。

本公司就截至二零零八年三月三十一日止年度之核數服務及非核數服務已付外聘核數師陳葉馮會計師事務所有限公司之酬金分別為 900,000 港元及 133,000 港元。上述非核數服務與盡職審查及審閱本公司業績公告有關。

與股東及投資者之溝通

本公司相信，與股東進行有效溝通對強化投資者關係及投資者對本集團之業務表現及策略至關重要。本集團亦認識到透明及及時披露公司資料之重要性，從而讓股東及投資者作出最佳投資決定。

Corporate Governance Report 企業管治報告

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee or, in their absence, other members of the respective committees and, where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings. During the year ended 31 March 2008, the Company held one shareholders' meeting, which is the annual general meeting held on 22 August 2007. All the members of the Board were present at this meeting to address to shareholders' enquiries.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

As a channel to promote effective communication, the Company maintains a website at www.equitynet.com.hk/0646, where up-to-date information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong or via facsimile to (852) 2511-1878 for any inquiries.

SHAREHOLDERS' RIGHTS

To safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings at which voting is taken on a poll are contained in the Company's Articles of Association. Details of such rights to demand a poll were included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be posted on the websites of the Company and of The Stock Exchange of Hong Kong Limited after the shareholders' meeting.

本公司之股東大會提供董事與股東溝通之平台。董事會主席以及審核委員會、薪酬委員會及提名委員會(或於其缺席時相關委員會其他成員),以及(如適用)獨立董事委員會主席將出席股東大會,以回答提問。於截至二零零八年三月三十一日止年度,本公司舉行一次股東大會,即於二零零七年八月二十二日舉行之股東週年大會。董事會全體成員出席了此次大會,並就股東之查詢作出回覆。

本公司不斷加強與其投資者之間之溝通及關係。專責高級管理層與機構投資者及分析員保持定期聯繫,確保彼等獲悉本公司之最新發展。本公司會及時處理投資者查詢,為投資者提供相關資料。

為促進有效溝通,本公司亦設有網站 www.equitynet.com.hk/0646,該網站載有本公司業務發展及經營、財務資料、企業管治常規及其他資料之最新資料及更新。股東及投資者如有任何查詢,可直接致函本公司之香港主要營業地點或發傳真至(852) 2511-1878。

股東之權利

為保障股東之利益及權利,本公司會於股東大會上就各項重大事宜(包括選舉個別董事)提呈獨立決議案。

本公司之組織章程細則已載列股東於股東大會上要求以按股數投票方式表決決議案之權利及程序。該等要求以按股數投票方式表決之權利詳情已納入致股東之所有通函,並將於會議進行期間作出解釋。

按股數投票表決之結果將於股東大會後於本公司及聯交所之網頁上刊載。

Independent Auditor's Report 獨立核數師報告



CCIF

CCIF CPA LIMITED

陳葉馮會計師事務所有限公司

20/F Sunning Plaza

10 Hysan Avenue

Causeway Bay Hong Kong

香港 銅鑼灣 希慎道10號

新寧大廈20樓

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YARDWAY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Yardway Group Limited (the "company") set out on pages 51 to 153, which comprise the consolidated and company balance sheets as at 31 March 2008 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

獨立核數師報告

致啟帆集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核啟帆集團有限公司(「貴公司」)載於第51至第153頁的綜合財務報表,其中包括二零零八年三月三十一日之綜合資產負債表及貴公司資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他說明附註。

董事就財務報表須承擔的責任

貴公司董事有責任遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定,負責編製並真實兼公平地呈列此等財務報表。此責任包括設計、實行及維護與編製並真實兼公平地呈列財務報表有關之內部監控,以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起);選擇並應用適當會計政策;及在不同情況下作出合理之會計估算。

核數師的責任

我們的責任是根據審核之結果對此等財務報表作出意見。本報告乃僅向整體股東報告,除此以外,本報告並無其他用途。我們不會就本報告的內容向任何人士負責或承擔責任。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY (CONTINUED)

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 March 2008 and of the group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants
Hong Kong, 24 July 2008

Kwok Cheuk Yuen

Practising Certificate Number P02412

核數師的責任(續)

我們已根據香港會計師公會頒佈之香港審計準則進行。該等準則要求我們遵守操守規定以及計劃及進行審核以合理之確定此等財務報表是否不存在重大之錯誤陳述。

審核範圍包括進程序以取得與財務報表所載數額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實兼公平地呈列財務資料有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估董事所採用會計政策之恰適性及所作之會計估算之合理性，並就財務報表之整體呈列方式作出評估。

我們相信，我們已取得充分恰當的審核憑證，為我們的審核意見提供了基礎。

意見

我們認為，綜合財務報表根據香港財務報告準則足以真實兼公平地反映 貴公司與 貴集團於二零零八年三月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並按照香港公司條例的披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師
香港，二零零八年七月二十四日

郭焯源

執業證書編號 P02412

Consolidated Income Statement 綜合收益表

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Turnover	營業額	6	298,865	214,424
Cost of sales/services	銷售／服務成本		(248,629)	(175,595)
Gross profit	毛利		50,236	38,829
Other revenue	其他收入	7	4,886	4,380
Other net income	其他收益淨額	7	7,391	365
Distribution costs	分銷成本		(20,598)	(20,804)
Administrative expenses	行政開支		(36,763)	(24,753)
Net surplus on revaluation	重估盈餘淨額		1,160	1,030
Gain on disposal of subsidiaries	出售附屬公司收益	33	295	–
Gain on disposal of jointly controlled entities	出售共同控制實體收益	34	4,658	–
Negative goodwill	負商譽	35	113	–
PROFIT/(LOSS)FROM OPERATIONS	經營溢利／(虧損)		11,378	(953)
Finance costs	融資成本	8(a)	(2,347)	(1,749)
PROFIT/(LOSS)BEFORE TAXATION	除稅前溢利／(虧損)	8	9,031	(2,702)
Income tax	所得稅	11(a)	(2,241)	99
PROFIT/(LOSS)FOR THE YEAR	本年度溢利／(虧損)		6,790	(2,603)
Attributable to:	應佔部分：			
Equity shareholders of the company	本公司股權持有人	32	7,104	(2,735)
Minority interests	少數股東權益		(314)	132
PROFIT/(LOSS)FOR THE YEAR	本年度溢利／(虧損)		6,790	(2,603)
EARNINGS/(LOSS)PER SHARE	每股盈利／(虧損)	14		
– Basic	– 基本		2.49 cents 仙	(0.98) cent 仙
– Diluted	– 攤薄		2.46 cents 仙	N/A 不適用

The notes on pages 58 to 153 form part of these financial statements.

第 58 頁至第 153 頁的附註屬本財務報表的一部分。

Consolidated Balance Sheet 綜合資產負債表

as at 31 March 2008

於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Interest in leasehold land held for own use under operating leases	根據經營租賃持作自用之租賃土地之權益	16	1,094	1,018
Property, plant and equipment	物業、廠房及設備	17	47,644	38,773
Investment properties	投資物業	18	6,760	22,600
Deferred tax assets	遞延稅項資產	29(b)	237	237
			55,735	62,628
CURRENT ASSETS	流動資產			
Trading securities – listed in Hong Kong	買賣證券 – 於香港上市		41	542
Inventories	存貨	21	28,121	21,971
Trade and other receivables	應收及其他應收款項	22	127,285	82,411
Current taxation recoverable	可退回本期稅項	29(a)	1,926	1,942
Pledged bank deposits	已抵押銀行存款	23	8,348	10,309
Cash and cash equivalents	現金及現金等價物	24	62,731	45,158
			228,452	162,333
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付及其他應付款項	25	141,494	93,034
Bank loans and overdrafts	銀行貸款及透支	26	12,965	17,008
Obligations under finance leases	融資租賃承擔	27	396	312
Current taxation	本期稅項	29(a)	1,005	192
Provisions for warranty	保證撥備	30	–	117
			155,860	110,663
NET CURRENT ASSETS	流動資產淨值		72,592	51,670
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		128,327	114,298
NON-CURRENT LIABILITIES	非流動負債			
Bank loans and overdrafts	銀行貸款及透支	26	5,328	6,969
Obligations under finance leases	融資租賃承擔	27	462	267
Deferred tax liabilities	遞延稅項負債	29(b)	849	471
			6,639	7,707
NET ASSETS	資產淨值		121,688	106,591

Consolidated Balance Sheet 綜合資產負債表

as at 31 March 2008
於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	31	28,825	28,085
Reserves	儲備	32	92,278	77,607
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	本公司股權持有人 應佔權益總額		121,103	105,692
MINORITY INTERESTS	少數股東權益		585	899
TOTAL EQUITY	權益總額		121,688	106,591

Approved and authorised for issue by the board of directors on 24 July 2008

董事會於二零零八年七月二十四日核准並許可發出

Yuan Kun

元崑
Director
董事

Lu Zhao Qun

蘆昭群
Director
董事

The notes on pages 58 to 153 form part of these financial statements.

第58頁至第153頁的附註屬本財務報表的一部分。

Balance Sheet 資產負債表

as at 31 March 2008
於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Plant and equipment	廠房及設備	17	104	–
Interest in subsidiaries	附屬公司權益	19	84,155	92,007
			84,259	92,007
CURRENT ASSETS	流動資產			
Trade and other receivables	應收及其他應收款項	22	235	137
Cash and cash equivalents	現金及現金等價物	24	23,788	45
			24,023	182
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付及其他應付款項	25	1,209	436
NET CURRENT ASSETS/(LIABILITIES)	流動資產/(負債)淨值		22,814	(254)
NET ASSETS	資產淨值		107,073	91,753
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	31	28,825	28,085
Reserves	儲備	32	78,248	63,668
TOTAL EQUITY	權益總額		107,073	91,753

Approved and authorised for issue by the board of directors on 24 July 2008

董事會於二零零八年七月二十四日核准並許可發出

Yuan Kun
元崑
Director
董事

Lu Zhao Qun
蘆昭群
Director
董事

The notes on pages 58 to 153 form part of these financial statements.

第58頁至第153頁的附註屬本財務報表的一部分。

Consolidated Statement of Changes in Equity 綜合權益變動表

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

Attributable to equity shareholders of the company
本公司股權持有人應佔

		Share capital	Share premium	Capital reserve	Contributed surplus	Exchange reserve	Revaluation reserve – land and buildings	Other reserves	Retained earnings	Total	Minority interests	Total equity
		股本	股份溢價	資本儲備	實繳盈餘	匯兌儲備	重估儲備 – 土地及樓宇	其他儲備	保留溢利	總計	少數股東權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	28,000	3,728	(4,665)	(180)	111	4,953	231	75,452	107,630	767	108,397
Dividends approved in respect of previous year	就上年批准之股息	-	-	-	-	-	-	-	(2,800)	(2,800)	-	(2,800)
Shares issued under share option scheme	根據購股權計劃發行之股份	85	145	(51)	-	-	-	-	-	179	-	179
Exchange differences on translation of the financial statements of PRC subsidiaries	換算中國附屬公司財務報表產生之匯兌差額	-	-	-	-	678	-	-	-	678	-	678
Revaluation surplus, net of deferred tax	重估盈餘(扣除遞延稅項)	-	-	-	-	-	2,413	-	-	2,413	-	2,413
Equity-settled share-based transactions	以股份支付之股本交易	-	-	327	-	-	-	-	-	327	-	327
Transfer to other reserves	轉至其他儲備	-	-	-	-	-	-	89	(89)	-	-	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	(2,735)	(2,735)	132	(2,603)
At 31 March 2007	於二零零七年三月三十一日	28,085	3,873	(4,389)	(180)	789	7,366	320	69,828	105,692	899	106,591
At 1 April 2007	於二零零七年四月一日	28,085	3,873	(4,389)	(180)	789	7,366	320	69,828	105,692	899	106,591
Shares issued under share option scheme	根據購股權計劃發行之股份	740	1,258	(444)	-	-	-	-	-	1,554	-	1,554
Exchange differences on translation of the financial statements of PRC subsidiaries	換算中國附屬公司財務報表產生之匯兌差額	-	-	-	-	1,244	-	-	-	1,244	-	1,244
Revaluation surplus, net of deferred tax	重估盈餘(扣除遞延稅項)	-	-	-	-	-	4,966	-	-	4,966	-	4,966
Equity-settled share-based transactions	以股份支付之股本交易	-	-	543	-	-	-	-	-	543	-	543
Transfer to other reserves	轉至其他儲備	-	-	-	-	-	-	1,624	(1,624)	-	-	-
Share option forfeited	已失效購股權	-	-	(375)	-	-	-	-	375	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	4,665	-	-	-	-	(4,665)	-	-	-
Profit for the year	年內溢利	-	-	-	-	-	-	-	7,104	7,104	(314)	6,790
At 31 March 2008	於二零零八年三月三十一日	28,825	5,131	-	(180)	2,033	12,332	1,944	71,018	121,103	585	121,688

The notes on pages 58 to 153 form part of these financial statements.

第 58 頁至第 153 頁的附註屬本財務報表的一部分。

Consolidated Cash Flow Statement 綜合現金流量表

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

56

Yardway Group Limited ■ Annual Report 2008

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit/(loss) before taxation	除稅前溢利/(虧損)	9,031	(2,702)
Adjustments for:	經調整下列各項：		
Net surplus on revaluation	重估盈餘淨額	(1,160)	(1,030)
Gain on disposal of subsidiaries	出售附屬公司之收益	(295)	-
Gain on disposal of jointly controlled entities	出售共同控制實體之收益	(4,658)	-
Negative goodwill	負商譽	(113)	-
Depreciation	折舊	4,289	3,628
Amortisation of land lease premium	土地租賃費用攤銷	24	20
Impairment losses on trade receivable	應收款項之減值虧損	633	531
Impairment losses on due from jointly controlled entities	應收共同控制實體款項之減值虧損	1,099	-
Write-down of inventories	存貨減記	3,726	1,937
Finance costs	融資成本	2,347	1,749
Dividend income from listed securities	上市證券的股息收入	(13)	(22)
Interest income	利息收入	(1,120)	(2,252)
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損淨額	219	317
Gain on disposal of investment properties	出售投資物業之收益	(884)	-
Net realised and unrealised gains on trading securities	買賣證券的已變現及未變現收益淨額	(244)	(168)
Foreign exchange gain	匯兌收益	(1,176)	(1,438)
Equity-settled share-based payment expenses	以股份支付之股本交易之開支	543	327
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	營運資金變動前經營溢利	12,248	897
Increase in inventories	存貨增加	(10,900)	(9,374)
Increase in trade and other receivables	應收及其他應收款項增加	(45,649)	(23,302)
Decrease in finance lease receivable	應收融資租賃租金減少	-	98
Increase in trade and other payables	應付及其他應付款項增加	47,892	2,981
Increase in provision for warranty	保證撥備增加	6	18
CASH GENERATED FROM/(USED IN) OPERATIONS	經營業務所得/(所用)的現金	3,597	(28,682)
Tax paid	已付稅項		
Hong Kong profits tax paid	已付香港利得稅	(112)	(124)
The People's Republic of China ("PRC") income tax paid	已付中華人民共和國(「中國」)所得稅	(1,394)	(124)
		(1,506)	(248)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	經營業務所得/(所用)的現金淨額	2,091	(28,930)

Consolidated Cash Flow Statement 綜合現金流量表

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
INVESTING ACTIVITIES			
Net cash inflow from disposal of subsidiaries			
出售附屬公司產生之 現金流入淨額	33	1,660	–
Net cash inflow from disposal of jointly controlled entities			
出售共同控制實體所得 現金流入淨額	34	1,284	–
Net cash inflow on acquisition of a subsidiary			
收購一間附屬公司之現金流入淨額	35	1,657	–
Payment for the purchase of property, plant and equipment			
購入物業、廠房及設備 支付款項		(7,981)	(10,135)
Proceeds from disposal of property, plant and equipment			
出售物業、廠房及設備 之所得款項		1,249	1,099
Net proceeds from disposal of investment properties			
出售投資物業之 所得款項淨額		17,684	–
Payment for purchase of trading securities			
購入買賣證券支付款項		–	(542)
Proceeds from sale of trading securities			
出售買賣證券所得款項		744	854
Decrease/(increase)in pledged bank deposits			
已抵押銀行存款減少/(增加)		2,433	(1,277)
Interest received			
已收利息		1,120	2,252
Dividends received from listed securities			
已收上市證券的股息		13	22
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		19,863	(7,727)
FINANCING ACTIVITIES			
Proceeds from finance lease			
融資租賃所得款項		1,188	–
Capital element of finance lease rentals paid			
已付融資租賃租金的資本部分		(909)	(878)
Proceeds from new bank loans			
新增銀行貸款所得款項		53,707	33,476
Repayment of bank loans			
償還銀行貸款		(60,302)	(34,823)
Proceeds from shares issued under share option scheme			
根據購股權計劃發行股份 所得款項		1,554	179
Interest paid			
已付利息		(2,271)	(1,657)
Interest element of finance lease rentals paid			
已付融資租賃租金的利息部分		(76)	(92)
Dividends paid to equity shareholders of the company			
已付本公司股權持有人股息		–	(2,800)
NET CASH USED IN FINANCING ACTIVITIES		(7,109)	(6,595)
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS		14,845	(43,252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		43,769	85,329
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		1,816	1,692
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	60,430	43,769

The notes on pages 58 to 153 form part of these financial statements.

第58頁至第153頁的附註屬本財務報表的一部分。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Yardway Group Limited (the “company”) was incorporated in the Cayman Islands on 31 August 2001 and became the holding company of the Yardway Group (“Yardway Group”) since 13 March 2002. Yardway Group became a publicly listed company on 28 March 2002 on the Stock Exchange of Hong Kong.

The company is an investment holding company. The principal activities of the subsidiaries are set out in note 19 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the group and the company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements.

1. 組織及主要業務

啟帆集團有限公司(「本公司」)於二零零一年八月三十一日在開曼群島註冊成立，並自二零零二年三月十三日起成為啟帆集團(「啟帆集團」)之控股公司。啟帆集團於二零零二年三月二十八日在香港聯交所上市，成為一間公眾上市公司。

本公司為投資控股公司。附屬公司之主要業務載於財務報表附註19。

2. 主要會計政策

a) 遵例聲明

本財務報表乃按照香港會計師公會頒佈之所有適用之香港財務報告準則(此統稱包括所有適用之個別香港財務報告準則、香港會計準則(及詮釋)、香港普遍採納之會計原則及香港公司條例之披露要求而編製。本財務報表亦遵守香港聯合交易所有限公司證券上市規則之適用披露條文規定。本集團採納之重大會計政策載列如下。

香港會計師公會已頒佈多項新訂及經修訂之香港財務報告準則，該等準則於本集團及本公司之本會計期間首次生效或可予提早採納。於本會計期間及過往會計期間，由於初步應用該等與本集團有關之發展所引致之任何會計政策變動之影響已反映於財務報表中。其資料載於財務報表附註3內。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2008 comprise the company and its subsidiaries (together referred to as the “group”) and the group’s interest in jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment in equity securities (see note 2(e));
- derivative financial instruments (see note 2(g));
- leasehold land and buildings (see note 2(i)); and
- investment property (see note 2(h)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. 主要會計政策 (續)

b) 財務報表之編製基準

截至二零零八年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)及本集團於共同控制實體之權益。

編製財務報表時使用之計量基準乃歷史成本基準，惟會計政策內所述按公允值列賬之以下資產及負債除外：

- 於股本證券之投資(見附註2(e))；
- 衍生金融工具(見附註2(g))；
- 租賃土地及樓宇(見附註2(i))；及
- 投資物業(見附註2(h))。

於編製符合香港財務報告準則之財務報表時，管理層需作出會影響應用政策及資產、負債、收入及開支所呈報款額之判斷、估計及假設。估計及有關假設乃按照過往經驗及在有關情況下相信為合理之多項其他因素而作出，其結果構成判斷有關資產與負債之賬面值(未能即時自其他資料來源取得)之基礎。實際結果或會與該等估計有所不同。

估計及相關假設乃按持續基準審閱。會計估計之修訂乃於估計被修訂之期間(倘修訂僅影響該期間)，或於修訂期間及未來期間(倘修訂影響本期間及未來期間)確認。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of preparation of the financial statements (continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the company, whether directly or indirectly through subsidiaries, and in respect of which the group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the company. Minority interests in the results of the group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the company.

2. 主要會計政策 (續)

b) 財務報表之編製基準 (續)

管理層於應用香港財務報告準則過程中所作對財務報表具重大影響及對來年作重大調整具重大風險之判斷，在附註5內討論。

c) 附屬公司及少數股東權益

附屬公司為本集團所控制之實體。當本集團有權決定該實體的財務及經營業務從而獲取利益，控制權被確認。在評估控制權時，現存並可行使的潛在投票權已計算在內。

本公司於附屬公司的投資自控制開始至控制終止之日將併入綜合財務報表內。集團內部往來餘額和集團內部交易及其產生的任何未變現溢利，均在編製綜合財務報表時全面抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值之情況。

少數股東權益指並非由本公司直接或透過附屬公司間接擁有的權益所佔附屬公司資產淨值的部分，而本集團未與該權益持有者達成任何附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。少數股東權益在綜合資產負債表內是與本公司股權持有人應佔權益分開列示。少數股東所佔本集團業績的權益在綜合收益表內亦會分開列示，從而分配本年度溢利及虧損總額至少數股東權益及本公司股權持有人。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Subsidiaries and minority interests (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the group's interest is allocated all such profits until the minority's share of losses previously absorbed by the group has been recovered.

In the company's balance sheet, an interest in a subsidiary is stated at cost less impairment losses (see note 2(k)).

d) Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual agreement between the group or company and other parties. Where the contractual arrangement establishes that the group or company and one or more of the other parties share joint control over the economic activity of the entity. The consolidated financial statements include the group's proportionate share of the enterprise's assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Unrealised profits and losses resulting from transactions between the group and its jointly controlled entities are eliminated to the extent of the group interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the profit or loss.

2. 主要會計政策 (續)

c) 附屬公司及少數股東權益 (續)

如果少數股東應佔的虧損超過其所佔附屬公司股權的權益，超額部分和任何歸屬於少數股東的進一步虧損便會沖減本集團所佔權益；但如少數股東須承擔具有約束力的義務並有能力彌補虧損則除外。倘若附屬公司其後錄得溢利，所有該等溢利均會分配予本集團，直至本集團收回少數股東以往應承擔的應佔虧損為止。

本公司資產負債表所示於附屬公司的權益，是按成本減去任何減值虧損(見附註2(k))後入賬。

d) 共同控制實體

共同控制實體乃本集團或本公司及其他方根據合約安排經營的實體，而合約安排訂明本集團或本公司及一位或多位其他方將對該實體的經濟活動有共同控制權。綜合財務報表包括由共同控制生效當日至共同控制停止當日止，本集團根據同類性質的項目逐項按比例所佔該等實體的資產、負債、收益及支出。

本集團與其共同控制實體之間交易所產生之未變現溢利及虧損，以本集團於共同控制實體所佔權益為限抵銷，惟倘未變現虧損顯示所轉讓資產有減值憑證，在該情況下，則即時在損益表內確認。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Investment in equity securities

Investments in equity securities held for trading are classified as current assets and are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs which are recognised in the income statement as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Investments are recognised/derecognised on the date the group commits to purchase/sell the investments or they expire.

f) Goodwill

Goodwill arising on acquisitions prior to 1 January 2001

Goodwill arising on acquisitions of net assets and operations of another entity or a jointly controlled entity prior to 1 January 2001 continues to be held in reserves, and will be charged to the retained profits at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

2. 主要會計政策(續)

e) 於股本證券的投資

持作買賣的股本證券投資歸類為流動資產及初步按成本值，即交易價值列賬，除非公允值能以變數只包括可觀察市場數據的估值方法更準確地計算。成本值包括有關交易成本，該等成本於產生時在收益表內確認。於各結算日，公允值均會重新計量，而任何達致的收益或虧損均在損益表內確認。

本集團承諾購入／出售投資或投資到期當日確認／終止確認有關的投資。

f) 商譽

於二零零一年一月一日前因收購事項產生之商譽

於二零零一年一月一日前因收購其他實體或共同控制實體之資產淨值及營運產生之商譽繼續於儲備持有，並將於出售與該商譽有關之業務或與該商譽有關之現金產生單位減值時自保留溢利扣除。

g) 衍生金融工具

衍生金融工具初步按公允值確認。於各結算日，公允值均會重新計量。公允值的重新計量收益或虧損即時在收益表內計入／扣除。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(ii).

When the group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(j)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(j).

i) Property, plant and equipment

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 2(j)).

2. 主要會計政策 (續)

h) 投資物業

投資物業乃為賺取租金收入及／或資本增值而以租賃權益(見附註2(j))擁有或持有的土地及／或樓宇，當中包括就尚未確定未來用途而持有的土地。

投資物業按公允值記入資產負債表。投資物業公允值的變動或報廢或出售投資物業所產生的任何收益或虧損，均在收益表內確認。投資物業的租金收入按照附註2(u)(ii)所述方式入賬。

凡本集團以經營租賃持有物業權益以賺取租金收入及／或資本增值，有關的權益按每項物業的基準劃歸為投資物業。劃歸為投資物業的任何物業權益的入賬方式與以融資租賃持有的權益一樣(見附註2(j))，而應用於該權益的會計政策亦以融資租賃出租的其他投資物業相同。租賃款項的入賬方式載列於附註2(j)。

i) 物業、廠房及設備

以下持作自用的物業按其重估值(即重估當日的公允值減任何其後的累積折舊)在資產負債表列賬：

- 按經營租約持有之土地及建於該等土地上之樓宇，該等土地及樓宇租賃權益之公允值於租約開始日期無法分別計度，而有關樓宇並非明確根據經營租約持有(見附註2(j))。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Property, plant and equipment (continued)

Revaluations are performed with sufficient regularity to ensure the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves, the only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

2. 主要會計政策 (續)

i) 物業、廠房及設備 (續)

重估乃在充份符合規格的情況下進行，以確保此等資產的賬面值不會與在結算日採用公允值釐定的價值出現重大差異。

重估持作自用的物業所產生的變動一般撥入儲備內處理。惟下列情況例外：

- 倘在重估時產生虧損，則在該項虧損超過儲備內列於同一資產項下的數額之情況下，超出之款額將會在收益表中扣除；及
- 倘在重估時產生盈餘，則在該項盈餘超過以往在收益表中扣除的同一資產之重估虧損之情況下，該筆盈餘將會在損益中計入。

物業、廠房及設備的其他項目按成本減累積折舊及減值虧損在資產負債表列賬(見附註2(k))。

自建物業、廠房及設備項目的成本包括材料、直接工資、初步估計(倘有關)拆卸及移除項目與還原舊址的成本，以及適當比例的生產支出。

報廢或出售物業、廠房及設備項目所產生的損益以出售所得款項淨額與項目的賬面值之間的差額釐定，並於報廢或出售當日在收益表中確認。任何相關的重估盈餘會由重估儲備轉入保留溢利。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years from the date of completion.
- Furniture, fixtures and equipment 5 years
- Motor vehicles 3 to 5 years

No depreciation is provided in respect of construction in progress.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2. 主要會計政策 (續)

i) 物業、廠房及設備 (續)

物業、廠房及設備項目的折舊是按其預計可用年限以直線法沖銷其成本或估值(減去其估計剩餘價值,如有),計算方法如下:

- 位於租賃土地上的建築物按尚餘租賃期或預計可用年限(即落成日期起計不多於五十年)兩者中的較短期間計算折舊。
- 傢具、固定裝置及設備 5年
- 汽車 3至5年

在建工程並不計提折舊。

資產之可使用年期及其剩餘價值(如有)每年進行審閱。

j) 租賃資產

如本集團能確定某項安排賦予有關人士權利,可透過付款或支付一系列款項而於協定期間內使用特定資產,有關安排(包括一項交易或一系列交易)即屬或包含租賃。本集團之結論乃基於有關安排之細節評估而作出,並不論有關安排是否具備租賃之法律形式。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Leased assets (continued)

i) Classification of assets leased to the group

Assets that are held by the group under leases which transfer to the group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the group are classified as operating leases, with the following exception:

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the group, or taken over from the previous lessee.

ii) Assets acquired under finance leases

Where the group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the group will obtain ownership of the asset, the life of the asset, as set out in note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

2. 主要會計政策 (續)

j) 租賃資產 (續)

i) 租賃予本集團的資產的分類

對於本集團以租賃持有的資產，如果租賃使所有權的絕大部分風險和回報轉移至本集團，有關的資產便會劃歸為以融資租賃持有；如果租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃；但下列情況除外：

- 以經營租賃持作自用，但無法在租賃開始時將其公允值與建於其上的建築物的公允值分開計量的土地是按以融資租賃持有方式入賬；但清楚地以經營租賃持有的建築物除外。就此而言，租賃的開始時間是指本集團首次訂立租賃時，或自前承租人接收建築物時。

ii) 以融資租賃購入的資產

如屬集團以融資租賃獲得資產使用權的情況，便會將相當於租賃資產公允值或最低租賃付款額的現值（如為較低的數額）列為固定資產，而相應負債（不計融資費用）則列為融資租賃承擔。折舊乃按照附註2(i)所述，在相關的租賃期或資產的可用年限（如本集團很可能取得資產的所有權）內，以每年等額沖銷其成本計提。減值虧損按照附註2(k)所述的會計政策入賬。租賃付款內含的融資費用會在租賃期內的收益中扣除，使每個會計期間的融資費用與負債餘額的比率大致相同。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Leased assets (continued)

iii) Operating lease charges

Where the group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(i)).

k) Impairment of assets

i) Impairment of investment in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries, associates and jointly controlled entities: see note 2(k)(ii)) and other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- it becomes probable that the debtor will enter into bankruptcy or other financial reorganisation;

2. 主要會計政策 (續)

j) 租賃資產 (續)

iii) 經營租賃費用

如屬集團透過經營租賃使用資產的情況，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額方式計入收益表中；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的租賃激勵措施均在損益中確認為租賃淨付款總額的組成部分。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷，但劃歸為投資物業的物業除外(見附註2(i))。

k) 資產減值

(i) 股本證券投資及其他應收款的減值

股本證券投資(於附屬公司、聯營及合營公司的投資除外：見附註2(k)(ii))及以成本或攤銷成本列示的其他流動及非流動應收款，將會於每個資產負債表日被審閱以確定是否有減值的客觀證據。客觀的減值證據包括本集團從可觀察數據中注意到以下一項或多項虧損事項：

- 債務人出現重大財務困難；
- 債務人很可能將會申請破產或進行其他財物重組；

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of assets (continued)

i) Impairment of investment in equity securities and other receivables (continued)

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策 (續)

k) 資產減值 (續)

(i) 股本證券投資及其他應收款的減值 (續)

- 科技、市場、經濟或法律環境的重大改變為債務人帶來負面影響；及
- 股權證券投資之公允值出現重大或持續下降至低於成本。

如有任何這類證據存在，便會釐定減值損失並按以下方式確認：

就以攤銷成本列賬的應收款及其他流動應收款和金融資產而言，減值虧損是以資產的賬面金額與以其初始實際利率（即在初始確認有關資產時計算的實際利率）折現的預計未來現金流量現值之間的差額計量，如折現之影響屬輕微。倘按攤銷成本列賬的金融資產具備類似的風險特徵，例如類似的逾期情況及不曾單獨評估為減值，則有關評估會集體進行。共同評估有否減值的金融資產未來現金流量會根據整個集團所持具有類似信貸風險特徵的資產之過往虧損情況評估。

如果減值虧損在其後的期間減少，而且客觀上與減值虧損確認後發生的事件有關，則應通過損益轉回減值損失。減值損失的轉回不應使資產的賬面金額超過其在以往年度沒有確認任何減值損失而應已釐定的數額。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of assets (continued)

i) Impairment of investment in equity securities and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired.

- interest in leasehold land held for own use under operating leases;
- property, plant and equipment; and
- interest in subsidiaries and jointly controlled entities.

2. 主要會計政策 (續)

k) 資產減值 (續)

(i) 股本證券投資及其他應收款的減值 (續)

減值虧損直接於相關資產撇減，惟可收回金額不肯定但金額不少的應收貿易款項及其他應收款項中的應收賬款的減值虧損除外。在此情況下，呆賬減值虧損會於撥備賬記錄。倘本集團確認能收回應收賬款的機會極低，視為不可收回的金額將直接從應收賬款中撇銷，而在撥備賬中有關該債務的任何金額會撥回。倘之前計入撥備賬的款項其後收回，則有關款項於撥備賬撥回。撥備賬的其他改變及其後收回先前直接撇銷的款項均於損益賬確認。

ii) 其他資產的減值

本集團會在每個結算日參考內部和外來資料，以確定下列資產有否出現減值跡象。

- 列作根據經營租賃持有的租賃土地預付款；
- 物業、廠房及設備；及
- 於附屬公司及共同控制實體的權益。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of assets (continued)

ii) Impairment of other assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策 (續)

k) 資產減值 (續)

ii) 其他資產的減值 (續)

如發現出現減值跡象，則會估計該資產的可收回數額。此外，未可動用的無形資產的可收回數額會每年進行估值，無論是否出現減值跡象。

– 計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)來釐定可收回數額。

– 減值虧損確認

尚資產賬面值高於其可收回數額或其所屬現金產生單位時，便會在收益表中確認減值虧損。就現金產生單位確認的減值虧損會作出分配，首先按比例減少已分配至該現金產生單位(或該組單位)的任何商譽的賬面值，但資產的賬面值不得調至低於其減去出售成本或使用價值(如能釐定)後的個別公允值。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of assets (continued)

ii) Impairment of other assets (continued)

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

l) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(k)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. 主要會計政策 (續)

k) 資產減值 (續)

ii) 其他資產的減值 (續)

- 減值虧損轉回

倘若用以釐定資產可收回數額的估計發生正面變化，便會將資產減值虧損轉回。

轉回的減值虧損以假設沒有在過往年度確認減值虧損而應已釐定的資產賬面值為限。所轉回的減值虧損在確認轉回的年度內在損益表中計入。

l) 中期財務報告和減值

根據香港聯合交易所有限公司證券上市規則，本集團須按照香港會計準則第34號中期財務報告就本財政年度首六個月編製中期財務報告。本集團在中期末採用與本財政年度末一致的減值測試、確認和轉回的標準(見附註2(k))。

就商譽，可供出售股本證券及以成本列賬的無報價股本證券於中期確認減值虧損，不可於往後期間撥回。這是假設只能於與中期相關的財政年度年終減值評估時，即使沒有減值虧損或減少確認減值虧損也不能撥回。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(k)).

2. 主要會計政策 (續)

m) 存貨

存貨以成本及可變現淨值兩者中的較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨達至目前地點和變成現狀的成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之數。

所出售存貨的賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

n) 應收及其他應收款項

應收及其他應收款項首先按公允值確認，其後按攤銷成本減去呆壞賬減值虧損後列賬（見附註2(k)(i)），惟倘應收賬款乃向關聯方作出無息貸款，且並無任何固定還款期或折算影響並不重大者除外，於該情況，應收及其他應收賬款按成本減呆壞賬減值虧損列賬（見附註2(k)）。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(t)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2. 主要會計政策 (續)

o) 計息借貸

計息借貸首先按公允值減應佔交易成本確認。於初期確認後，計息借貸按攤銷成本列賬，而初期確認金額及贖回價值兩者的任何差額，連同任何利息及應付費用，以有效利息法為基準在借貸期間在收益表中確認。

p) 應付及其他應付款項

應付及其他應付款項首先按公允值確認。除了根據附註2(t)(i)計量的財務擔保負債外，應付及其他應付款項其後按攤銷成本入賬；但如折算影響並不重大，則按成本列賬。

q) 現金及現金等價物

現金及現金等價物是指銀行存款及現金、在銀行及其他財務機構之活期存款及短期和高流動性的投資項目。這些項目可隨時換算為已知的現金數額；所承擔的價值變動風險不大，並在購入後三個月內到期。就編製綜合現金流量表而言，須於通知時償還並構成本集團現金管理之必要部分之銀行透支亦列作現金及現金等價物之構成部分。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Employee benefits

i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. 主要會計政策 (續)

r) 僱員福利

i) 短期僱員福利及定額供款計劃的供款

薪金、年終花紅、有薪假期、定額供款退休計劃的供款及非貨幣利益成本於僱員提供關聯服務之年度內累計。倘付款或清償款項遞延且影響重大，則有關金額乃以其現有價值列算。

ii) 以股份償付

僱員獲授予的股份期權按公允值確認為僱員成本，而權益中的資本儲備亦會相應增加。公允值是在授予日以二項點陣模式計量，並考慮期權授予條款和條件。如果僱員須符合歸屬條件才能無條件地享有股份期權的權利，在考慮到期權歸屬的可能性後，估計授予股份期權的公允值便會在整個歸屬期內分攤。

本公司會在歸屬期內審閱預期歸屬的股份期權數目。已於以往年度確認的累計公允值的任何調整會在審閱當年在收益表中扣除/計入；但如果原來的僱員支出符合確認為資產的資格，便會對資本儲備作出相應的調整。已確認為支出的數額會在歸屬日作出調整，以反映所歸屬股份期權的實際數目（同時對資本儲備作出相應的調整）；但只會在無法符合與本公司股份市價相關的歸屬條件時才會放棄之股份期權除外。權益數額在資本儲備中確認，直至期權獲行使（轉入股份溢價賬）或期權到期（直接轉入盈餘儲備）時為止。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Employee benefits (continued)

iii) Termination benefits

Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策 (續)

r) 僱員福利 (續)

iii) 解聘福利

解聘福利於及僅於本集團明確解聘僱員或透過一項詳盡正式計劃(並無撤回之實際可能性)而因自願離職提供福利時確認。

s) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動均在收益表中確認，但與直接確認為股東權益項目相關的，則確認為股東權益。

本期稅項是按本年度應課稅收入，以於結算日採用或實質上已採用的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產及負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產及負債在財務報表上的賬面金額與這些資產及負債的計稅基礎的差異。遞延稅項資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. 主要會計政策 (續)

s) 所得稅 (續)

除了某些有限的例外情況外，所有遞延稅項負債和遞延稅項資產（只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應稅溢利）都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅溢利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

不確認遞延稅項資產和負債的暫時差異產生自以下例外情況：不可在稅務方面獲得扣減的商譽、不影響會計或應稅利潤的資產或負債的初始確認（屬業務合併的一部分除外），以及與於附屬公司的投資有關的暫時差異。如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回該差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the company or the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策 (續)

s) 所得稅 (續)

遞延稅項額是按照資產和負債賬面金額的預期實現或清償方式，根據已採用或在結算日實質上已採用的稅率計量。遞延稅項資產和負債均不貼現計算。

本集團會在每個結算日評估遞延稅項資產的賬面金額。如果在本集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延稅項資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

本期和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。本期和遞延稅項資產只會在公司或集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延稅項負債：

- 若為本期稅項資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 若為遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Financial guarantees issued, provisions and contingent liabilities

i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary to the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(t)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the group under the guarantee, and (ii) the amount of that claim on the group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

2. 主要會計政策 (續)

t) 已發出財務擔保、撥備及或然負債

i) 已發出財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具的條款於到期時付款而蒙受的損失而向持有人支付特定款項的合約。

倘本集團發出財務擔保，該擔保的公允值(即交易價格，除非該公允值能確實地估計)最初確認為應付賬款及其他應付賬款內的遞延收入。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策而予確認。倘無須未收取或應予收取有關代價，於最初確認任何遞延收入時，即時開支於收益表內確認。

最初確認為遞延收入的擔保款額，按擔保年期於收益表內攤銷為所發出的財務擔保收入。此外，倘(i)擔保持有人有可能根據本集團已作出的財務擔保向集團提出索償通知時；及(ii)本集團的申索款額預期超過現時列於該擔保的應付賬款及其他應付款(即最初確認的金額)減累計攤銷，便會根據附註2(t)(ii)確認並作出撥備。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Financial guarantees issued, provisions and contingent liabilities (continued)

ii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of other uncertain timing or amount when the group or the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

u) Revenue recognition

Provided it is probable that the economic benefits will flow to the group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

2. 主要會計政策 (續)

t) 已發出財務擔保、撥備及或然負債 (續)

ii) 其他撥備及或然負債

倘若公司或集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就其他時間或數額不定的負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列撥備。

倘若含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但假如這類資源外流的可能性極低則除外。

u) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在收益表中確認：

i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Revenue recognition (continued)

- ii) Rental income from operating leases**
Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.
- iii) Commission and service income**
Commission and service income are recognised when services are rendered.
- iv) Dividend income from listed investments**
Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.
- v) Interest income**
Interest income is recognised as it accrues using the effective interest rate method.

2. 主要會計政策 (續)

u) 收入確認 (續)

- ii) 經營租賃的租金收入**
經營租賃的應收租金收入在租賃期所涵蓋期間內，以等額在收益表中確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃的獎勵措施均在收益表中確認為應收租賃淨付款總額的組成部分。
- iii) 佣金及服務收入**
佣金及服務收入在提供服務時確認。
- iv) 上市投資的股息收入**
上市投資的股息收入於投資的股價除息後確認。
- v) 利息收入**
利息收入以有效利率法於應計時確認。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of PRC and foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a PRC or a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that operation is included in the calculation of the profit or loss on disposal.

w) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

2. 主要會計政策 (續)

v) 外幣換算

年內的外幣交易按交易日的匯率換算。以外幣為單位的貨幣資產及負債則按結算日的匯率換算。匯兌盈虧在損益表中確認。

根據外幣的歷史成本計量並以外幣為單位的非貨幣資產及負債，乃採用於交易日期的適用匯率進行換算。按公允值列賬並以外幣列值的非貨幣資產及負債，乃採用於釐定公允值日期的適用匯率進行換算。

中國及海外業務之業績按與交易日匯率相近的匯率換算為港幣，而資產負債表項目則按結算日之適用匯率換算為港幣。所產生之匯兌差額乃作儲備變動處理。

於出售中國或海外業務時，於權益內確認有關該業務之匯兌差額的累計數額，乃計入出售損益內。

w) 借貸成本

借貸成本均在產生的期間內在收益表中列支。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

x) Related parties

For the purposes of these financial statements, a party is considered to be related to the group if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the group or exercise significant influence over the group in making financial and operating policy decisions, or has joint control over the group;
- ii) the group and the party are subject to common control;
- iii) the party is an associate of the group or a joint venture in which the group is a venturer;
- iv) the party is a member of key management personnel of the group or the group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- vi) the party is a post-employment benefit plan which is for the benefit of employees of the group or of any entity that is a related party of the group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2. 主要會計政策 (續)

x) 關連人士

在編製本賬項時，與集團關聯人士是指：

- i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- ii) 本集團及該人士均受共同控制；
- iii) 該人士屬本集團的聯營公司或本集團為合營一方的合營企業；
- iv) 該人士屬本集團主要管理人員的成員、或屬該人的近親家庭成員、或受該等個別人士控制、或共同控制或重大影響的實體；
- v) 該人士如屬(i)所指的近親家庭成員或受該等個別人士控制、或共同控制或重大影響的實體；或
- vi) 該人士屬提供福利予集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

y) Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the group's internal financial reporting system, the group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purpose of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

2. 主要會計政策 (續)

y) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供產品或服務(業務分部)，或在一個特定的經濟環境中提供產品或服務(地區分部)，而其所受的風險和回報與其他分部不同。

按照集團的內部財務報告，本集團已就編製財務報表選取業務分部資料作為主要報告形式，並以地區分部資料作為次要報告形式。

分部收入、支出、業績、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目。例如，分部資產可包括存貨、應收款項以及物業、廠房及設備。分部收入、支出、資產及負債於抵銷集團內部往來的餘額和交易前釐定(作為合併賬目的部分程序)，但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。分部之間的定價按與其他外界人士相若的條款計算。

分部資本開支是指在年內購入預計可於超過一個會計期間使用的分部資產(包括有形和無形資產)所產生的成本總額。

未分配的項目主要包括財務及企業資產、帶息貸款、借貸、稅項結餘、企業和融資支出。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the group and the company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, *Financial instruments: Disclosures* and the amendment to HKAS 1, *Presentation of financial statements: Capital disclosures*, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments; Disclosure and presentation*. These disclosures are provided throughout these financial statements, in particular in note 4.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the group's and the company's objectives, policies and processes for managing capital. These new disclosures are set out in note 32(g).

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 42).

3. 會計政策之變動

香港會計師公會已頒佈多項新訂及經修訂之香港財務報告準則及詮釋，該等準則於本集團及本公司之本會計期間生效或可提早採納。

這些發展並沒有對於本財務報表所呈列的年度所採用的會計政策造成重大變動。但是，由於採用了香港財務報告準則第7號《金融工具：披露》和香港會計準則第1號修訂《財務報表的呈報：資本披露》，額外的披露如下：

由於採用了香港財務報告準則第7號，與以前按香港會計準則第32號《金融工具：披露和列報》要求披露的資料對比，財務報表增加了披露有關本集團金融工具的重要性及該工具引起的風險的性質和程度。這些披露被列示於本財務報表，尤其在附註4。

香港會計準則第1號的修訂引進了額外披露要求並要求提供資本管理的資料及本集團與本公司對管理資本的目的、政策和過程。這些新增的披露已列示於附註32(g)。

香港財務報告準則第7號和香港會計準則第1號的修訂均沒有對確認於金融工具中的分類、確認和計量造成任何重大的影響。

本集團沒有採用任何未在當前會計期間生效的新準則或解釋(見附註42)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT

The group has exposure to credit risk, liquidity risk, currency risk and interest rate risk from its use of financial instruments. This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk.

a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and the group's credit risk is primarily attributable to the trade and other receivables and deposits with financial institutions. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

i) Trade and other receivables

The management has established a credit policy under which credit evaluations are performed on all customers requiring credit. Trade receivables are due within 2 months from the date of billing. Debtors with balances that are more than 3 months are requested to settle all outstanding balance before any further credit is granted. Normally, the group does not obtain collateral from customers.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the balance sheet date, the group has a certain concentration of credit risk as 26% (2007: 6%) and 53% (2007: 49%) of the total trade related receivables was due from the group's largest customer and the five largest customers respectively.

4. 金融風險管理

本集團在使用金融工具時會面對信貸風險、流動資金風險、貨幣風險及利率風險。本附註載列本集團有關上述各項風險、本集團之目標、計量及管理風險之政策及程序之資料。

a) 信貸風險

信貸風險指金融工具之客戶或交易對方未能履行其合約責任時本集團面臨財務損失之風險，而本集團之信貸風險主要來自應收及其他應收款項以及於金融機構之存款。管理層設有信貸政策以持續地監察該等信貸風險。

i) 應收及其他應收款項

管理層設有信貸政策，並據此對要求獲得信貸額的所有客戶進行信貸評估。應收款項於發出單據兩個月後到期。餘額超過三個月之應收款項須於授予任何其他信貸額前結算所有未償還餘額。本集團通常並無向客戶收取抵押品。

本集團之信貸風險主要受個別客戶之特性影響。於結算日，本集團有若干信貸風險集中的情況，分別為源自本集團最大客戶及五大客戶之相關應收款項總額為26%（二零零七年：6%）及53%（二零零七年：49%）。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Credit risk (continued)

i) Trade and other receivables (continued)

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, in the consolidated balance sheet after deducting any impairment allowance. Except for a financial guarantee given by the company as set out in note 37, the group does not provide any other guarantees which would expose the group or the company to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the company's balance sheet is disclosed in note 37.

Further quantitative disclosures in respect of the group's exposure to credit risk arising from trade and other receivables are set out in note 22.

ii) Deposits with financial institutions

The group limits its exposure to credit risk by placing deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

As at 31 March 2008, the group has certain concentration of credit risk as 5% (2007: 5%) of total cash and cash equivalents, bank deposits with original maturities over three months and financial assets designated at fair value were deposited at one financial institution in mainland China with high credit ratings.

4. 金融風險管理(續)

a) 信貸風險(續)

i) 應收及其他應收款項(續)

於扣除任何減值準備後，綜合資產負債表內每項金融資產的賬面值代表了最高信貸風險(未計及任何持有之抵押品)。除本公司作出之財務擔保(如附註37所載)外，本集團並無提供會使本集團或本公司面臨信貸風險之任何其他擔保。有關本公司資產負債表內該財務擔保之最高信貸風險於附註37內披露。

有關本集團因應收及其他應收款項而產生之信貸風險之進一步量化披露載於附註22。

ii) 於金融機構之存款

本集團將現金存於已達到獲認可之信貸評級或其他標準之金融機構以減低信貸風險。鑒於該等金融機構獲得該等高信貸評級，管理層不預期有任何交易對手未能履行責任。

於二零零八年三月三十一日，本集團有若干信貸風險集中的情況，有5%(二零零七年：5%)之現金及現金等價物總額、原始到日期日超過三個月之銀行存款及以公允值列值之金融資產存放於一家中國大陸擁有高信貸評級之金融機構。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the group's and the company's non-derivative financial liabilities and derivative financial liabilities, which are based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the group and the company can be required to pay:

The group

	Within 1 year or on demand 一年內或 按需償還 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 超過兩年 但少於五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未貼現 現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables 應付及其他應付款項	141,494	-	-	-	141,494	141,494
Bank borrowings 銀行借貸	11,532	2,205	2,595	3,267	19,599	18,293
Obligations under finance leases 融資租賃承擔	449	449	75	-	973	858

4. 金融風險管理(續)

b) 流動資金風險

流動資金風險指本集團無法滿足其到期財務責任之風險。本集團的政策為定期監察其目前及預期的流動資金需要及其遵守借貸契諾的情況，確保其備有足夠的現金儲備和大型金融機構提供的充裕融資額度以應付其短期及長期的流動資金需要。

下表列示本集團及本公司之非衍生金融負債及衍生金融負債於結算日之餘下合約年期(均基於合約到期日)。表內披露之金額此乃合約未折現現金流(包括根據合約利率計算之利息，或如為浮動利率，則基於結算日之利率)及本集團與本公司最早需要還款之日期：

本集團

		2008 二零零八年				
	Within 1 year or on demand 一年內或 按需償還 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 超過兩年 但少於五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未貼現 現金流總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables 應付及其他應付款項	141,494	-	-	-	141,494	141,494
Bank borrowings 銀行借貸	11,532	2,205	2,595	3,267	19,599	18,293
Obligations under finance leases 融資租賃承擔	449	449	75	-	973	858

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk (Continued)

The group (Continued)

		2007 二零零七年					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	After 5 years	Total contractual undiscounted cash flow	Carrying amount	
	一年內或 按需償還	超過一年 但少於兩年	超過兩年 但少於五年	五年後	合約未折現 現金流總額	賬面值	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Trade and other payables	應付及其他應付款項	93,034	-	-	-	93,034	93,034
Bank borrowings	銀行借貸	18,808	1,204	3,775	4,452	28,239	23,977
Obligations under finance leases	融資租賃承擔	346	278	-	-	624	579

The company

本公司

		2008 二零零八年					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	After 5 years	Total contractual undiscounted cash flow	Carrying amount	
	一年內或 按需償還	超過一年 但少於兩年	超過兩年 但少於五年	五年後	合約未折現 現金流總額	賬面值	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Trade and other payables	應付及其他應付款項	1,209	-	-	-	1,209	1,209

		2007 二零零七年					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	After 5 years	Total contractual undiscounted cash flow	Carrying amount	
	一年內或 按需償還	超過一年 但少於兩年	超過兩年 但少於五年	五年後	合約未折現 現金流總額	賬面值	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Trade and other payables	應付及其他應付款項	436	-	-	-	436	436

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Currency risk

The group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Euro and GBP.

The group ensures that the exposure on recognised assets and liabilities arising from sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate is kept to an acceptable level, by buying or selling foreign currency at spot rate where necessary to address short-term imbalances.

The following table details the group's and the company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they related.

The group

		2008 二零零八年			2007 二零零七年		
		USD'000 千美元	EURO'000 千歐元	GBP'000 千英鎊	USD'000 千美元	EURO'000 千歐元	GBP'000 千英鎊
Trade and other receivables	應收及其他應收款項	2,773	1,311	1,048	5,509	619	-
Cash and cash equivalents	現金及現金等價物	1,237	135	59	3,793	714	-
Trade and other payable	應付及其他應付款項	(6,904)	(1,889)	(1,865)	(6,887)	(557)	-
Bank borrowings	銀行借貸	(540)	(118)	-	(1,749)	(82)	-
Overall net exposure	整體風險淨額	(3,434)	(561)	(758)	666	694	-

The company

		2008 二零零八年			2007 二零零七年		
		USD'000 千美元	EURO'000 千歐元	GBP'000 千英鎊	USD'000 千美元	EURO'000 千歐元	GBP'000 千英鎊
Cash and cash equivalents	現金及現金等價物	1	-	-	1	-	-
Overall net exposure	整體風險淨額	1	-	-	1	-	-

4. 金融風險管理 (續)

c) 外匯風險

本集團主要由於以與業務有關的功能貨幣以外的貨幣進行銷售及採購而承受外匯風險。導致此項風險的貨幣主要為美元、歐元及英鎊。

本集團在有需要的情況下按現貨匯率購入或出售外幣以處理短期之不平衡情況，以確保以與業務有關的功能貨幣以外之貨幣列值之已確認資產與負債所面對風險維持於可接受水平。

下表列示本集團及本公司於結算日因以與業務有關的功能貨幣以外之貨幣列值之已確認資產或負債而承擔的貨幣風險。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Currency risk (Continued)

An analysis of the estimated change in the group's profit after tax (and retained profits) in response to reasonably possible changes in the foreign exchange rates to which the group has significant exposure at the balance sheet date is presented in the following table.

The group

United States dollars, USD	美元
Euro	歐元
GBP	英鎊

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities' exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date while all other variables remains constant. The stated changes also a represent management's assessment of a reasonably possible change in foreign exchange rates until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

At 31 March 2008, the group had forward exchange contracts hedging forecast transactions with a net fair value of HK\$33,000 (2007: HK\$150,000) recognised as derivative financial instruments.

4. 金融風險管理(續)

c) 外匯風險(續)

下表列示於結算日，本集團之除稅後溢利(及保留溢利)因應外幣(本集團面對重大匯率風險者)匯率可能出現之合理變動而產生之估計變動。

本集團

	2008 二零零八年		2007 二零零七年	
	Increase/ (decrease) in foreign exchange rates 匯率 上升/ (下降)	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 匯率 上升/ (下降)	Effect on loss after tax and retained profits 對除稅後 虧損及保留 溢利之影響 HK\$'000 千港元
United States dollars, USD	10% (10%)	(2,672) 2,672	10% (10%)	520 (520)
Euro	10% (10%)	(689) 689	10% (10%)	722 (722)
GBP	10% (10%)	(1,171) 1,171	10% (10%)	- -

敏感度分析乃假設外幣匯率變動於結算日經已發生，並已應用於本集團旗下各實體於該日存在之衍生及非衍生金融工具所涉及貨幣風險，而所有其他變數(尤其是利率)均維持不變。上述變動指管理層對直至下一個年度結算日止期間的外幣匯率可能出現之合理變動之估計。該分析乃以二零零七年之同一基準進行。

於二零零八年三月三十一日，本集團的遠期外匯合約對沖預測交易的公允淨值33,000港元(二零零七年：150,000港元)已確認為衍生金融工具。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Interest rate risk

The group's interest rate risk arises primarily from the group's bank deposits and interest-bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the group to cash flow interest rate risk and fair value interest rate risk respectively. The group does not use financial derivatives to hedge against the interest rate risk. The group's interest rate profile as monitored by management is set out below.

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

The group

Repricing dates for assets/(liabilities) which reprice before maturity	於到期日前重定息率之資產/(負債)之重定息率日期
Cash at bank and in hand	銀行存款及現金
Pledged bank deposits	已抵押銀行存款
Bank overdrafts	銀行透支
Bank loans	銀行貸款

Effective interest rate	2008 二零零八年				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
0.0001%-0.3%	29,049	29,049	-	-	-
2.888%-3.33%	1,804	1,804	-	-	-
5.25%-5.55	(2,851)	(2,851)	-	-	-
3.25%-8.311%	(15,422)	(15,422)	-	-	-
	12,580	12,580	-	-	-

4. 金融風險管理(續)

d) 利率風險

本集團面對之利率風險主要關乎集團之銀行存款及計息借貸。按浮動利率及固定利率批出之借貸令本集團分別承受現金流量利率風險及公允值利率風險。本集團並無使用衍生金融工具對沖利率風險。本集團之利率組合由管理層監控，並載於下文。

實際利率及重定息率之分析

就賺取收入的金融資產及付息金融負債而言，下表顯示其於結算日及重定息率之期間或到期日(倘較早)的實際利率。

本集團

Effective interest rate	2007 二零零七年				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
0.1%-3.8%	18,116	18,116	-	-	-
0.7%	3,984	3,984	-	-	-
8.0%	(1,389)	(1,389)	-	-	-
5.3%-8.0%	(22,588)	(22,588)	-	-	-
	(1,877)	(1,877)	-	-	-

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4. 金融風險管理 (續)

d) Interest rate risk (Continued)

d) 利率風險 (續)

Effective interest rates and repricing analysis (Continued)

實際利率及重定息率之分析 (續)

The group (Continued)

本集團 (續)

	2008 二零零八年					2007 二零零七年							
	Effective interest rate	Total	1 year or less	1-2 years	2-5 years	More than 5 years	Effective interest rate	Total	1 year or less	1-2 years	2-5 years	More than 5 years	
	實際利率	總計	1年或以內	1至2年	2至5年	5年以上	實際利率	總計	1年或以內	1至2年	2至5年	5年以上	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Maturity dates for assets/ (liabilities) which do not reprice before maturity	並非於到期日前重定息率之資產/(負債)之到期日												
Deposits with banks	銀行存款	0.0001%-3.15%	33,585	33,585	-	-	-	0.1%-5.0%	27,042	27,042	-	-	-
Pledged bank deposits	已抵押銀行存款	0.0001%-3.15%	6,544	6,544	-	-	-	3.5%	6,325	6,325	-	-	-
Obligations under finance leases	融資租賃承擔	4.5%	(858)	(396)	(396)	(66)	-	6.6%-8.4%	(579)	(312)	(267)	-	-
			39,271	39,733	(396)	(66)	-		32,788	33,055	(267)	-	-

The company

本公司

	2008 二零零八年					2007 二零零七年							
	Effective interest rate	Total	1 year or less	1-2 years	2-5 years	More than 5 years	Effective interest rate	Total	1 year or less	1-2 years	2-5 years	More than 5 years	
	實際利率	總計	1年或以內	1至2年	2至5年	5年以上	實際利率	總計	1年或以內	1至2年	2至5年	5年以上	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Repricing dates for assets/ (liabilities) which reprice before maturity	於到期日期前重定息率之資產/(負債)之重定息率日期												
Cash at bank and in hand	銀行存款及現金	0.0001%-3.15%	23,788	23,788	-	-	-	0.1%-3.8%	45	45	-	-	-
			23,788	23,788	-	-	-		45	45	-	-	-

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Interest rate risk (Continued)

At 31 March 2008, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the group's profit before tax by approximately HK\$519,000 (2007: approximately HK\$309,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

e) Fair values

The fair values of cash and cash equivalents, pledged bank deposits, trade and other receivables, trade and other payables are not materially different from the carrying amounts because of the immediate or short term maturity of these financial instruments. The carrying amounts of other financial assets, bank loans and overdrafts and finance lease liabilities approximate their fair values.

4. 金融風險管理 (續)

d) 利率風險 (續)

於二零零八年三月三十一日，估計利率普遍上升／降低100個基點，而所有其他變數維持不變，本集團除稅前溢利將增加／減少約519,000港元(二零零七年：約309,000港元)。

上述敏感度分析乃假設利率變動於結算日經已發生，並已應用於該日存在之非衍生金融之利率風險。上升或降低100個基點為管理層對直至下一個年度結算日止期間的利率可能出現之合理變動之估計。該分析乃以二零零七年之同一基準進行。

e) 公允值

現金及現金等價物、已抵押銀行存款、應收及其他應收款項、應付及其他應付款項的公允值，與賬面金額並不存在重大差異，原因為金融工具即時或於短期內到期。其他金融資產、銀行貸款及透支及融資租賃負債的賬面金額與其公允值相若。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

f) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments set out in note 4(e) above.

i) Trading securities

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

ii) Interest-bearing loans and borrowings and finance lease liabilities

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Notes 17(a), 18(a) and 28 contain information about the assumptions and their risk factors relating to valuation of leasehold land and buildings and investment properties, fair value of share options granted and financial instruments. Other key sources of estimation uncertainty are as follows:

a) Write-down for obsolescence of inventories

The group determines the write-down for obsolescence of inventories. These estimates are based on the current market condition and the historical experience on selling goods of similar nature. It could change significantly as a result of changes in market conditions.

4. 金融風險管理(續)

f) 公允值的估計

下列概述估計在上文附註4(e)所載的金融工具的公允值時，所使用的主要方法和假設。

i) 買賣證券

公允值乃按結算日之市場報價計算，而並無扣除任何交易成本。

ii) 計息貸款及借貸以及融資租賃負債

公允值乃以同類金融工具的未來現金流量，按市場現行利率折算的現值而作出估計。

5. 會計估計及判斷

估計不確定性的主要來源

附註17(a)、18(a)及28載有有關租賃土地及樓宇及投資物業的估值、已授出購股權及金融工具公允值的假設和彼等的風險因素之資料。估計不確定性的其他主要來源如下：

a) 陳舊存貨減記

本集團釐定陳舊存貨的減記。該等估計乃按照市場現況及出售同類性質貨物的過往經驗而作出，有可能由於市況變化而大幅改變。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty (Continued)

b) Depreciation, amortisation and impairment loss of property, plant and equipment

Property, plant and equipment are depreciated and amortised on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recovered during the year. The useful lives are based on the group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

Internal and external sources of information are reviewed at each balance sheet date to identify indications that fixed assets may be impaired. The group will review the estimated future cash flows of the fixed assets regularly in order to determine whether impairment loss is required. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

c) Impairment loss on trade receivables

The group evaluates whether there is any objective evidence that trade receivables are impaired, and determine the amount of impairment loss as a result of the inability of the debtors to make required payments. The group bases the estimates on the ageing of the trade receivables balance, credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

5. 會計估計及判斷(續)

估計不確定性的主要來源(續)

b) 物業、廠房及設備的折舊、攤銷及減值虧損

物業、廠房及設備經計及估計剩餘價值後，於估計可使用年期內以直線法進行折舊及攤銷。本集團定期審閱資產的估計可使用年期，以釐定年內可收回的折舊金額及攤銷開支。可使用年期乃根據本集團對同類資產的過往經驗及經考慮預料出現的技術改變而釐定。倘若與過往的估計有重大出入，未來期間的折舊及攤銷開支須予調整。

內部及外部資料來源於各結算日進行審閱，以查找固定資產可能出現減值的跡象。本集團將定期審閱估計未來現金流量，以釐定是否須計算減值虧損。凡資產的賬面金額超過其可收回金額，即在收益中確認減值虧損。

c) 應收賬款的減值虧損

本集團評估是否有客觀證據顯示應收賬款已經減值，及釐定因債務人無法作出所須付款而導致的減值虧損金額。本集團按照應收賬款結餘的賬齡、信用度及過往撇銷經驗作為估計的基準。倘若債務人的財政狀況惡化，實際的撇賬額將高於估計。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty (Continued)

d) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

5. 會計估計及判斷(續)

估計不確定性的主要來源(續)

d) 所得稅

釐定所得稅撥備涉及對若干交易的未來稅務待遇所作的判斷。本集團審慎評估交易的稅務影響及相應設立稅務撥備。該等交易的稅務待遇定期作重新考慮，以計及稅法的所有變動。遞延稅項資產乃就尚未使用的稅務虧損及可扣減差額而確認。由於將可能具未來應稅溢利抵銷可動用的未使用稅務抵免方會確認該等遞延稅項資產，管理層須作出判斷以評估未來應稅溢利的可能性。管理層定期審閱評估，倘若有可能具未來應稅溢利讓遞延稅項資產能予以收回，則須確認額外的遞延稅項資產。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

6. TURNOVER

The principal activities of the group are trading of vehicles, machinery, equipment, yachts, spare parts and provision of engineering services.

Turnover represents the sales value of goods supplied to customers, service income and commission income. The amount of each significant category of revenue recognised in turnover during the year is as follows.

Sales of goods	貨品銷售
Service income	服務收入
Commission income	佣金收入

6. 營業額

本集團之主要業務為買賣車輛、機器、設備、遊艇、零件以及提供工程服務。

營業額包括供應客戶貨品之銷售價值、服務收入及佣金收入。在年內確認為營業額之各項重要收益項目之數額如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
274,385	186,344
16,862	15,333
7,618	12,747
298,865	214,424

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

7. OTHER REVENUE AND NET INCOME

7. 其他收入及其他收益淨額

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Other revenue	其他收入		
Interest income from bank	銀行利息收入	1,120	2,252
Total interest income on financial assets not at fair value through profit or loss	非按公允值透過損益列賬之 金融資產之利息收入總額	1,120	2,252
Gross rental income from investment properties	投資物業租金收入總額	1,816	1,739
Management fee income	管理費收入	120	-
Dividend income from listed securities	上市證券之股息收入	13	22
Compensation income (Note 7 (a))	賠償收入(附註7(a))	1,710	-
Others	其他	107	367
		4,886	4,380

(a) The compensation income of approximately HK\$1,710,000 was received from a customer for termination of a contract in relation to the distribution and after sales service and related spare parts provided by the group.

(a) 賠償費用約1,710,000港元乃就終止與本集團提供分銷及售後服務以及相關零件有關之合約收自一名客戶。

Other net income	其他收益淨額		
Net exchange gain	匯兌收益淨額	6,482	514
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損淨額	(219)	(317)
Gain on disposal of investment properties	出售投資物業之收益	884	-
Net gain on sale of trading securities	出售買賣證券之收益淨額	269	106
Net unrealised (loss)/gain on trading securities carried at fair value	以公允值列賬之買賣證券之 未變現(虧損)/收益淨額	(25)	62
		7,391	365

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

8. 除稅前溢利/(虧損)

除稅前溢利/(虧損)已扣除/(計入)下列各項：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
a) Finance costs	a) 融資成本：		
Interest on bank advances and bank borrowings repayable within five years	須於五年內償還的銀行墊款及銀行借貸的利息	1,882	1,172
Interest on bank advances and bank borrowings repayable after five years	須於五年後償還的銀行墊款及銀行借貸的利息	389	485
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	76	92
Total interest expense on financial liabilities not at fair value through profit or loss	非按公平值透過損益列賬之金融負債利息開支總額	2,347	1,749
b) Staff costs (including director's remuneration)	b) 員工成本(包括董事薪酬)		
Contributions to defined contribution retirement plans	定額供款退休計劃的供款	1,335	1,319
Equity-settled share-based payment expenses	以股份支付的股本交易開支	543	327
Salaries, wages and other benefits	薪金、工資及其他福利	27,768	21,305
		29,646	22,951

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

8. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

8. 除稅前溢利／(虧損)(續)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
c) Other items	c) 其他項目：		
Amortisation of land lease premium	土地租賃費用攤銷	24	20
Depreciation	折舊		
– assets held for own use under finance leases	– 根據融資租賃持作自用之資產	207	377
– other assets	– 其他資產	4,082	3,251
Impairment losses on trade and other receivables	應收及其他應收款項之減值虧損	633	531
Impairment losses on due from jointly controlled entities	應收共同控制實體款項之減值虧損	1,099	–
Increase in provision for warranty costs	擔保費用撥備增加	6	24
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	932	900
– other services	– 其他服務	133	47
Net loss/(gain) on forward foreign exchange contracts	遠期外匯合約虧損／(收益)淨額	183	(927)
Operating lease charges in respect of properties:	有關物業經營租賃費用：		
– minimum lease payments	– 最低租賃付款額	2,287	2,678
Rentals from investment properties less direct outgoings of HK\$49,000 (2007: HK\$79,000)	投資物業租金減直接開支49,000港元(二零零七年：79,000港元)	(1,767)	(1,660)
Cost of inventories (note 21(b))	存貨成本(附註21(b))	233,202	169,132

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

9. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

9. 董事酬金

根據香港《公司條例》第161條須予披露的董事酬金如下：

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	2008 total
	董事袍金	薪金、津貼及實物利益	酌定花紅	退休計劃供款	小計	以股份支付	二零零八年總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors							
Li Song Xiao (appointed on 21/9/2007)	-	188	-	-	188	-	188
Yuan Kun (appointed on 21/9/2007)	-	125	-	-	125	-	125
Lu Zhao Qun (appointed on 21/9/2007)	-	497	-	3	500	47	547
Song Xuan (appointed on 21/9/2007)	-	-	-	-	-	-	-
Fong Kit Wah, Alan (resigned on 11/10/2007)	-	1,001	-	6	1,007	121	1,128
Rourke James Grierson (resigned on 11/10/2007)	-	336	-	6	342	47	389
Cheung Miu Sin (resigned on 11/10/2007)	-	234	-	6	240	47	287
Independent non-executive directors							
Gao Ling (appointed on 21/9/2007)	60	-	-	-	60	-	60
Cui Yong (appointed on 21/9/2007)	60	-	-	-	60	-	60
Zhang Qing Lin (appointed on 11/10/2007)	60	-	-	-	60	-	60
Wong Man Chung, Francis (resigned on 11/10/2007)	54	-	-	-	54	47	101
Chan Ting Kwong (resigned on 11/10/2007)	54	-	-	-	54	47	101
Fung Siu Wan, Stella (resigned on 11/10/2007)	54	-	-	-	54	47	101
Non-executive director							
Yin Jie	-	-	-	-	-	47	47
	342	2,381	-	21	2,744	450	3,194

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

9. DIRECTORS' REMUNERATION (CONTINUED)

9. 董事酬金(續)

	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK\$'000 千港元	Discretionary bonuses 酌定花紅 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Share-based payments 以股份支付 HK\$'000 千港元 (Note) (附註)	2007 total 二零零七年總計 HK\$'000 千港元
Executive directors 執行董事							
Fong Kit Wah, Alan 方傑華	-	2,065	220	12	2,297	73	2,370
Rourke James Grierson Rourke James Grierson	-	832	50	12	894	28	922
Cheung Miu Sin 張妙仙	-	488	65	12	565	28	593
Independent non-executive directors 獨立非執行董事							
Wong Man Chung, Francis 黃文宗	102	-	-	-	102	28	130
Chan Ting Kwong 陳廷光	102	-	-	-	102	28	130
Fung Siu Wan, Stella 馮少雲	102	-	-	-	102	28	130
Non-executive director 非執行董事							
Yin Jie 殷杰	-	-	-	-	-	28	28
	306	3,385	335	36	4,062	241	4,303

Note: These represent the estimated value of share options granted to the directors under the company's share option scheme. The value of these share options is measured according to the group's accounting policies for share-based payment transactions as set out in note 2(r)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 28.

附註：此乃指根據本公司的購股權計劃授予董事購股權的估計價值。這些購股權的價值是按照附註2(r)(ii)所載列本集團以股份支付交易的會計政策計量。

該等實物利益(包括已授出購股權的主要條款及數目)之詳情於董事會報告「購股權計劃」一段及附註28披露。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2007: three) are directors whose emoluments is disclosed in note 9. The aggregate of the emoluments in respect of the other two (2007: two) individuals are as follows:

Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌定花紅
Share-based payments	以股份支付
Retirement scheme contributions	退休計劃供款

The emoluments of the two (2007: two) individuals with the highest emoluments are within the following band:

HK\$Nil – HK\$1,000,000	零港元至 1,000,000 港元
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10. 最高薪酬個別人士

在五位最高薪酬個別人士中，三位(二零零七年：三位)為董事，有關的酬金詳情載於附註9。其餘二位(二零零七年：兩位)個別人士的酬金總額如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,071	1,218
345	65
47	28
12	12
1,475	1,323

該二位(二零零七年：兩位)個別人士的酬金在以下範圍內：

Number of individuals 人數	
2008 二零零八年	2007 二零零七年
2	2

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

11. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

a) Taxation in the consolidated income statement represents:

Current tax – Hong Kong profits tax	本期稅項 – 香港利得稅
Provision for the year	本年度準備
Current tax – PRC income tax	本期稅項 – 中國所得稅
Provision for the year	本年度準備
Deferred tax	遞延稅項
Origination and reversal of temporary differences	暫時性差異之產生及轉回

The provision for Hong Kong profits tax for 2008 is calculated at 17.5% (2007: 17.5%) of the estimated assessable profits for the year. PRC taxation is charged at the appropriate current rate of taxation ruling in the PRC.

A foreign-invested enterprise of the company's subsidiary was subject to mainland China enterprise income tax rate of 33% in 2007. Another foreign-invested enterprise of the company's subsidiary was subject to mainland China preferential income tax rate of 15% and entitled to 50% reduction for three years after first two profitable years. Therefore, the subsidiary was subject to mainland China enterprise income tax rate of 7.5%.

11. 於綜合收益表之所得稅

a) 於綜合收益表之稅項為：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
22	107
2,187	271
2,209	378
32	(477)
2,241	(99)

二零零八年度之香港利得稅準備乃按該年度之估計應課稅溢利按17.5% (二零零七年：17.5%) 的稅率計算。中國稅項則按中國現行適用稅率計算。

於二零零七年，本公司附屬公司之一家外商投資企業須按33%之中國大陸企業所得稅率納稅。本公司附屬公司之另一家外商投資企業須按15%之中國大陸優惠所得稅率納稅，並且於首兩個盈利年度之後三年稅額可減半。因此，該附屬公司按7.5%之中國大陸企業所得稅率納稅。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

11. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)

a) Taxation in the consolidated income statement represents: (continued)

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% from 1 January 2008. For the subsidiary which was subject to a corporate income tax at a rate of 15% on its assessable profits arising in the PRC, effective on 1 January 2008, such tax rate will gradually transit to the applicable tax rate of 25%.

b) Reconciliation between tax expense/(credit) and accounting profit/(loss) at applicable tax rates:

11. 於綜合收益表之所得稅(續)

a) 於綜合收益表之稅項為：(續)

二零零七年三月十六日，中華人民共和國第63號中華人民共和國主席令頒布《中華人民共和國企業所得稅法》(「新稅法」)。於二零零七年十二月六日，中國國務院頒布新稅法之實施條例。新稅法及實施條例將稅率由33%降為25%，自二零零八年一月一日起施行。對須就其在中國產生之應課稅溢利按15%之稅率繳納企業所得稅之附屬公司而言，該稅率將逐步過渡至25%之適用稅率，自二零零八年一月一日起施行。

b) 稅項支出/(抵免)與按適用稅率計算的會計溢利/(虧損)對賬：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit/(loss) before taxation	除稅前溢利/(虧損)	9,031	(2,702)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits/(loss) in the jurisdictions concerned	除稅前溢利/(虧損)之名義稅項，按適用於溢利/(虧損)的相關國家稅率計算	2,076	(741)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	1,018	729
Tax effect of non-taxable income	毋須課稅收入的稅項影響	(2,067)	(1,450)
Tax effect of unused tax losses not recognised	未確認未使用稅項虧損的稅項影響	1,729	1,292
Utilization of previously recognised tax losses	動用過往確認之稅項虧損	(515)	-
Others	其他	-	71
Actual tax expense/(credit)	實際稅項支出/(抵免)	2,241	(99)

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

12. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the company includes a loss of HK\$4,777,000 (2007: HK\$2,408,000) which has been dealt with in the financial statements of the company.

Reconciliation of the above amount to the company's profit for the year.

12. 本公司股權持有人應佔溢利

本公司股權持有人應佔綜合虧損包括已列入本公司財務報表的4,777,000港元虧損(二零零七年: 2,408,000港元)。

以上金額為本公司本年度溢利金額的對賬。

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amount of consolidated loss attributable to equity shareholders dealt with in the company's financial statements	列入本公司財務報表的股權持有人應佔綜合虧損金額	(4,777)	(2,408)
Final dividend from subsidiary attributable to the profit of the previous financial year, approved and paid during the year	上一個財政年度溢利所應佔附屬公司末期股息，已於年內獲批准及支付	18,000	6,500
Company's profit for the year (note 32)	本公司的本年度溢利(附註32)	13,223	4,092

13. DIVIDENDS

a) Dividends payable to equity shareholders of the company attributable to the year:

The Board does not recommend the payment of any dividend for the year ended 31 March 2008 (2007: Nil).

13. 股息

a) 本年度應付本公司股權持有人之股息：

董事會不建議就截至二零零八年三月三十一日止年度派付任何股息(二零零七年：零)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

13. DIVIDENDS (CONTINUED)

- b) Dividend payable to equity shareholders of the company attributable to the previous financial year, approved and paid during the year:

Final dividend in respect of the previous financial year, approved and paid during the year, of nil cent per ordinary share (2007: 1 HK cent per ordinary share)

對上一個財政年度的末期股息每股普通股零仙 (已於年內獲批准及支付) (二零零七年：每股普通股 1 港仙)

13. 股息(續)

- b) 對上一個財政年度應付本公司股權持有人股息 (已於年內獲批准及支付)：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
-	2,800

14. EARNINGS/(LOSS) PER SHARE

- a) Basic earnings/(loss) per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary equity shareholders of the company of HK\$7,104,000 (2007: loss of HK\$2,735,000) and the weighted average number of HK\$284,845,000 ordinary shares (2007: 280,154,000 ordinary shares) in issue during the year.

14. 每股盈利/(虧損)

- a) 每股基本盈利/(虧損)

每股基本盈利乃按本公司普通股股權持有人應佔溢利7,104,000港元(二零零七年：虧損2,735,000港元)及年內已發行284,845,000港元普通股之加權平均數(二零零七年：280,154,000股普通股)計算。

Issued ordinary shares at 1 April
Effect of share options exercised (note 31(b))

於四月一日已發行普通股
行使購股權之影響(附註31(b))

Weighted average number of ordinary shares at 31 March

於三月三十一日已發行普通股加權平均數

2008 二零零八年 Number of shares 股份數目 '000 千股	2007 二零零七年 Number of shares 股份數目 '000 千股
280,850	280,000
3,995	154
284,845	280,154

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

14. EARNINGS/(LOSS) PER SHARE (CONTINUED)

b) Diluted earnings/(loss) per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the company of HK\$7,104,000 and the weighted average number of ordinary shares of 288,890,000 shares. Diluted loss per share for the year ended 31 March 2007 has not been disclosed as the impact of the potential ordinary shares is anti-dilutive.

Weighted average number of ordinary shares 普通股加權平均數

14. 每股盈利/(虧損)(續)

b) 每股攤薄盈利/(虧損)

每股攤薄盈利乃按本公司普通股股權持有人應佔溢利7,104,000港元及普通股加權平均數288,890,000股計算。由於潛在普通股具反攤薄效應，故未予披露截至二零零七年三月三十一日止年度之每股攤薄虧損。

Weighted average number of ordinary shares at 31 March	於三月三十一日之普通股加權平均數
Effect of deemed issue of shares under the company's share option scheme for nil consideration	視作以零代價根據本公司購股權計劃發行股份之影響
Weighted average number of ordinary shares (diluted) at 31 March	於三月三十一日之普通股加權平均數(已攤薄)

2008 二零零八年 Number of shares 股份數目 '000 千股	2007 二零零七年 Number of shares 股份數目 '000 千股
284,845	280,154
4,045	N/A 不適用
288,890	N/A 不適用

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

15. SEGMENT REPORTING

Segment information is presented in respect of the group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the group's internal financial reporting.

a) Business segments

The group comprises the following main business segments:

Sales and distribution: the trading of airport group support equipment, railway maintenance equipment, coaches, trucks and yachts.

Provision of engineering services and sales of spare parts: the provision of engineering services and sales of spare parts

15. 分部報告

分部資料乃根據本集團的業務及地區分部呈報。業務分部資料已被選為主要呈報形式，原因為與本集團的內部財務申報較為相關。

a) 業務分部

本集團包含以下主要業務分部：

銷售及分銷業務： 機場地勤設備、鐵路維修設備、旅游車、貨車及遊艇貿易。

提供工程服務及銷售零件： 提供工程服務及銷售零件。

		Sales and distribution		Provision of engineering services and sales of spare parts		Unallocated		Consolidated	
		銷售及分銷		提供工程服務及銷售零件		未分配項目		綜合	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Revenue from external customers	來自外界客戶之收入	236,285	164,464	62,580	49,960	-	-	288,865	214,424
Other revenue from external customers	來自外界客戶之其他收入	-	-	-	-	3,766	2,128	3,766	2,128
Total	總額	236,285	164,464	62,580	49,960	3,766	2,128	302,631	216,552
Segment results	分部業績	9,960	2,176	1,680	2,318			11,640	4,494
Interest income	利息收入							1,120	2,282
Unallocated operating income and expenses	未分配之經營收益及費用							(1,382)	(7,699)
Profit/(loss) from operations	經營溢利/(虧損)							11,378	(953)
Finance costs	融資成本							(2,347)	(1,749)
Taxation	稅項							(2,241)	99
Profit/(loss) after tax	除稅後溢利/(虧損)							6,790	(2,603)
Depreciation and amortisation for the year	本年度折舊及攤銷	2,344	1,937	255	128	1,714	1,583		
Write-down of inventories	撇減存貨	3,726	780	-	1,157	-	-		
Impairment losses on trade receivables	應收款項減值虧損	633	214	-	317	-	-		
Segment assets	分部資產	187,884	161,672	31,234	21,568			219,118	183,240
Unallocated assets	未分配之資產							65,069	41,721
Total assets	資產總值							284,187	224,961
Segment liabilities	分部負債	124,881	91,427	21,287	11,703			146,168	103,130
Unallocated liabilities	未分配之負債							16,331	15,240
Total liabilities	負債總額							162,499	118,370
Capital expenditure incurred during the year	本年度產生之資本開支	6,535	11,545	198	191	1,248	2,095		

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

15. SEGMENT REPORTING (CONTINUED)

b) Geographical segments

The group's business is managed on a worldwide basis, but participates in four principal economic environments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

15. 分部報告(續)

b) 地區分部

本集團按於全球經營之基準管理業務，惟當中在四個主要經濟體系經營。

以地區分部為基準呈列資料時，分部收入乃按客戶所在之地區呈列。分部資產及資本開支則根據資產之所在地區呈列。

	Hong Kong		Other parts of the PRC		The United States of America		Europe		Others		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	34,406	28,609	240,952	159,548	-	2,572	21,783	23,689	1,724	6	298,665	214,424
Segment assets	162,536	166,019	121,651	58,942	-	-	-	-	-	-	284,187	224,961
Capital expenditure incurred during the year	2,334	3,005	5,647	10,826	-	-	-	-	-	-	7,981	13,831

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

16. INTEREST IN LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES

16. 持作自用的經營租約土地權益

The group

本集團

		HK\$'000 千港元
Cost	成本	
At 1 April 2006	於二零零六年四月一日	1,025
Exchange adjustments	匯率調整	58
At 31 March 2007	於二零零七年三月三十一日	1,083
At 1 April 2007	於二零零七年四月一日	1,083
Exchange adjustments	匯率調整	106
At 31 March 2008	於二零零八年三月三十一日	1,189
Accumulated amortisation	累計攤銷	
At 1 April 2006	於二零零六年四月一日	41
Exchange adjustments	匯率調整	4
Charge for the year	本年度計提	20
At 31 March 2007	於二零零七年三月三十一日	65
At 1 April 2007	於二零零七年四月一日	65
Exchange adjustments	匯率調整	6
Charge for the year	本年度計提	24
At 31 March 2008	於二零零八年三月三十一日	95
Net book value	賬面淨值	
At 31 March 2008	於二零零八年三月三十一日	1,094
At 31 March 2007	於二零零七年三月三十一日	1,018

The interests in leasehold land for own use under operating leases represent prepaid operating lease payments in the PRC under medium-term lease which were amortised over the lease term of 50 years on a straight-line basis.

位於中國大陸持作自用的經營租約土地權益為中期經營租約的預付款，以50年的租約期以直線法攤銷。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

The group

本集團

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost or valuation	成本或估值					
At 1 April 2006	於二零零六年四月一日	18,975	13,143	2,779	112	35,009
Additions	添置	-	2,793	1,094	9,944	13,831
Transfer from construction in progress	轉撥自在建工程	6,245	2,393	-	(8,638)	-
Disposals	出售	-	(1,543)	(883)	-	(2,426)
Surplus on revaluation	重估盈餘	2,877	-	-	-	2,877
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(380)	-	-	-	(380)
Exchange difference	匯兌差額	153	229	23	38	443
At 31 March 2007	於二零零七年三月三十一日	27,870	17,015	3,013	1,456	49,354
Representing	代表					
Cost	成本	-	17,015	3,013	1,456	21,484
Valuation – 2007	估值 – 二零零七年	27,870	-	-	-	27,870
		27,870	17,015	3,013	1,456	49,354
At 1 April 2007	於二零零七年四月一日	27,870	17,015	3,013	1,456	49,354
Additions	添置	-	2,610	1,747	3,624	7,981
Disposals	出售	-	(2,927)	(1,621)	-	(4,548)
Surplus on revaluation	重估盈餘	5,465	-	-	-	5,465
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(573)	-	-	-	(573)
Acquisition of a subsidiary (note 35)	收購一間附屬公司(附註35)	-	31	-	-	31
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	-	(232)	-	-	(232)
Disposal of jointly controlled entities (note 34)	出售共同控制實體(附註34)	-	(266)	-	-	(266)
Exchange difference	匯兌差額	788	599	55	143	1,585
At 31 March 2008	於二零零八年三月三十一日	33,550	16,830	3,194	5,223	58,797
Representing	代表					
Cost	成本	-	16,830	3,194	5,223	25,247
Valuation – 2008	估值 – 二零零八年	33,550	-	-	-	33,550
		33,550	16,830	3,194	5,223	58,797
Accumulated depreciation	累計折舊					
At 1 April 2006	於二零零六年四月一日	-	7,023	1,247	-	8,270
Charge for the year	本年度計提	380	2,520	728	-	3,628
Written back on disposal	出售時撥回	-	(732)	(278)	-	(1,010)
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(380)	-	-	-	(380)
Exchange difference	匯兌差額	-	63	10	-	73
At 31 March 2007	於二零零七年三月三十一日	-	8,874	1,707	-	10,581
At 1 April 2007	於二零零七年四月一日	-	8,874	1,707	-	10,581
Charge for the year	本年度計提	573	2,941	775	-	4,289
Written back on disposal	出售時撥回	-	(2,155)	(925)	-	(3,080)
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(573)	-	-	-	(573)
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	-	(217)	-	-	(217)
Disposal of jointly controlled entities (note 34)	出售共同控制實體(附註34)	-	(34)	-	-	(34)
Exchange difference	匯兌差額	-	156	31	-	187
At 31 March 2008	於二零零八年三月三十一日	-	9,565	1,588	-	11,153
Net book value	賬面淨值					
At 31 March 2008	於二零零八年三月三十一日	33,550	7,265	1,606	5,223	47,644
At 31 March 2007	於二零零七年三月三十一日	27,870	8,141	1,306	1,456	38,773

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

17. 物業、廠房及設備(續)

The company

本公司

		Furniture, fixtures and equipment 傢具、固定 裝置及設備 HK\$'000 千港元
Cost	成本	
At 1 April 2006, 31 March 2007 and 1 April 2007	於二零零六年四月一日、二零零七年三月 三十一日及二零零七年四月一日	-
Additions	添置	116
At 31 March 2008	於二零零八年三月三十一日	116
Accumulated depreciation	累計折舊	
At 1 April 2006, 31 March 2007 and 1 April 2007	於二零零六年四月一日、二零零七年三月 三十一日及二零零七年四月一日	-
Charge for the year	本年度計提	12
At 31 March 2008	於二零零八年三月三十一日	12
Net book value	賬面淨值	
At 31 March 2008	於二零零八年三月三十一日	104
At 31 March 2007	於二零零七年三月三十一日	-

a) The group's leasehold land and buildings were revalued as at 31 March 2008 either on an open market value basis calculated by reference to market price of recent sale transactions in the relevant markets or on a depreciated replacement cost basis calculated by reference to the current cost of replacement of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The valuations were carried out by an independent firm of surveyors, Jones Lang LaSalle Sallmanns Limited, who has among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The revaluation surplus of HK\$200,000 (2007: deficit HK\$160,000) for the group's leasehold land and buildings has been credited or charged to the consolidated income statement during the year. The revaluation surplus of HK\$5,265,000 (2007: HK\$3,037,000) for the group's leasehold land and buildings has been transferred to the revaluation reserve (note 32), net of deferred tax (note 29(b)).

The carrying amount of the leasehold land and buildings of the group at 31 March 2008 would have been HK\$19,677,000 (2007: HK\$20,129,000) had they been carried at cost less accumulated depreciation.

a) 本集團的租賃土地及樓宇已於二零零八年三月三十一日以參照有關市場的最近銷售交易的市價而計算的公開市值基準或以參照物業之目前重置成本減實際損耗及一切相關形式之陳舊及優化而計算的折舊重置成本基準進行重估。該項估值由一間獨立測量師行仲量聯行西門有限公司(其中員工為香港測量師學會會員及對所估物業的地點及類別有近期估值經驗)進行重估。本集團的租賃土地及樓宇為重估盈餘200,000港元(二零零七年: 虧絀160,000港元), 已於年內計入或扣除自綜合收益表。本集團的土地及樓宇的重估盈餘5,265,000港元(二零零七年: 3,037,000港元)於扣除遞延稅項(附註29(b))後轉撥至重估儲備(附註32)。

假如本集團的租賃土地及樓宇是按成本減去累計折舊後入賬, 則這些租賃土地及樓宇於二零零八年三月三十一日的賬面金額應為19,677,000港元(二零零七年: 20,129,000港元)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- b) The analysis of net book value of leasehold land and building

In Hong Kong	香港
– medium-term leases	– 中期租賃
In the PRC	中國
– long-term leases	– 長期租賃
– medium-term leases	– 中期租賃

- c) Property, plant and equipment

In addition to the leasehold land and buildings classified as being held under a finance lease in note (b) above, the group leases certain fixed assets under finance leases expiring from one to three years. At the end of the lease term the group has an option to purchase the fixed assets at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals.

During the year, additions to property, plant and equipment of the group financed by new finance leases were HK\$1,180,000 (2007: HK\$938,000). At the balance sheet date, the net book value of property, plant and equipment held under finance leases of the group was HK\$973,500 (2007: HK\$813,500).

The obligations under finance leases is disclosed in note 27.

17. 物業、廠房及設備(續)

- b) 租賃土地及樓宇之賬面淨值分析如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
17,000	13,800
7,950	6,070
8,600	8,000
33,550	27,870

- c) 物業、廠房及設備

除了在上文附註(b)列為以融資租賃持有的租賃土地及樓宇外，本集團透過於一年至三年內到期的融資租賃租用若干固定資產。在租賃期完結時，本集團有權以優惠價格購入有關固定資產。各項融資租賃均不包含或有租金。

年內，本集團以新融資租賃提供資金增添為1,180,000港元(二零零七年：938,000港元)。於結算日，本集團以融資租賃持有的物業、廠房及設備的賬面淨值為973,500港元(二零零七年：813,500港元)。

融資租賃承擔於附註27內披露。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

18. INVESTMENT PROPERTIES

18. 投資物業

At 1 April	於四月一日
Disposals	出售
Fair value adjustment	公允值調整
At 31 March	於三月三十一日

a) The group's investment properties were revalued as at 31 March 2008 either on an open market value basis calculated by reference to market price of recent sale transactions in the relevant markets or on a depreciated replacement cost basis calculated by reference to the current cost of replacement of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The valuations were carried out by an independent firm of surveyors, Jones Lang LaSalle Sallmanns Limited, who has among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The revaluation surplus of HK\$960,000 (2007: HK\$1,190,000) for the group's investment properties has been credited to the consolidated income statement during the year.

b) The analysis of net book value of properties is as follows

In Hong Kong	香港
– medium-term leases	– 中期租賃
In the PRC	中國
– long-term leases	– 長期租賃
– medium-term leases	– 中期租賃

The group 本集團

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
22,600	21,410
(16,800)	–
960	1,190
6,760	22,600

a) 本集團的投資物業已於二零零八年三月三十一日以參照有關市場的最近銷售交易的市價而計算的公開市值基準或以參照物業之目前重置成本減實際損耗及一切相關形式之陳舊及優化而計算的折舊重置成本基準進行重估。該項估值由一間獨立測量師行仲量聯行西門有限公司（其員工為香港測量師學會會員及對所估物業的地點及類別有近期估值經驗）進行重估。本集團的投資物業的重估盈餘960,000港元（二零零七年：1,190,000港元）已計入本年度綜合收益表。

b) 物業賬面淨值分析如下

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
–	16,800
2,770	2,300
3,990	3,500
6,760	22,600

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

18. INVESTMENT PROPERTIES (CONTINUED)

- c) Investment properties leased out under operating leases

The group leases out investment properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the group held for use in operating leases were HK\$6,760,000 (2007: HK\$22,600,000).

All properties held under operating leases that would otherwise meet the definition of investment property are classified as investment property.

The group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

19. INTEREST IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份(按成本)
Amounts due from subsidiaries	應收附屬公司款項

18. 投資物業(續)

- c) 以經營租賃租出的投資物業

本集團以經營租賃租出投資物業。這些租賃一般初步年期為一年至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商議。各項經營租賃均不包含或有租金。

本集團持有用作經營租賃用途的投資物業的賬面總值為6,760,000港元(二零零七年: 22,600,000港元)。

因其他理由而符合投資物業定義的以經營租賃持有的所有物業劃歸為投資物業。

本集團根據不可撤銷經營租賃的日後應收的最低租賃款總額如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
230	1,586
221	-
451	1,586

19. 附屬公司權益

The company 本公司	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
59,263	59,263
24,892	32,744
84,155	92,007

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

19. INTEREST IN SUBSIDIARIES (CONTINUED)

Amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

The following list only contains the particulars of the subsidiaries which principally affected the results, assets or liabilities of the group. The class of shares held is ordinary unless otherwise stated.

19. 附屬公司權益 (續)

應收附屬公司款項為無抵押、免息及無固定還款期。

下表僅載列主要對本集團的業績、資產或負債有影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立/ 成立及 營業地點	Particulars of issued and fully paid share capital/ capital/ contribution 已發行及 繳足股本/ 出資額情況	Proportion of ownership interest 擁有權益比例		Principal activity 主要業務
			Direct 直接	Indirect 間接	
Yardway Development Limited	British Virgin Islands ("BVI")/ Hong Kong 英屬處女群島/ 香港	US\$10,000 10,000美元	100%	-	Investment holding 投資控股
Yardway Limited 啟帆有限公司	Hong Kong 香港	HK\$10,110 (divided into 10 ordinary shares and 10,100 non-voting deferred shares of HK\$1 each (Note (a)) 10,110港元 (分為10股每股 面值1港元的 普通股及 10,100股每股面值 1港元的無投票權 遞延股)(附註(a))	-	100%	Trading of vehicles, machinery and parts and provision of engineering services 買賣汽車、 機器及零件 以及提供 工程服務
Yardway Motors Limited 啟帆貨車有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Trading of motor vehicles and spare parts and provision of services 買賣汽車 及零件 以及提供服務
Yardway Logistics Equipment (Zhuhai) Company Limited ("Yardway Zhuhai") 啟帆物流設備(珠海) 有限公司(「啟帆珠海」)	PRC (Note (b)) 中國 (附註(b))	HK\$10,000,000 10,000,000港元	-	100%	Trading of transportation and logistics related equipment 銷售運輸及 物流相關 設備
Yardway Enterprise Limited 啟帆精機有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	-	75% (Note (d)) (附註(d))	Design and installation of product line and the provision of related after sale service 設計及安裝生產線及 提供相關售後服務

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

19. INTEREST IN SUBSIDIARIES (CONTINUED)

19. 附屬公司權益(續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立/ 成立及 營業地點	Particulars of issued and fully paid share capital/ capital contribution 已發行及 繳足股本/ 出資額情況	Proportion of ownership interest 擁有權益比例		Principal activity 主要業務
			Direct 直接	Indirect 間接	
Yardway Advance Power Equipment (Beijing) Co Ltd ("Yardway Beijing") 啟帆未來動力設備(北京)有限公司 (「啟帆北京」)	PRC (Note (c)) 中國 (附註(c))	RMB3,000,000 人民幣3,000,000元	-	100%	Trading of spare parts and provision of services 買賣零件以及提供服務
Joy Win Ltd	BVI 英屬處女群島	US\$100 100美元	-	100%	Investment holding 投資控股
Sinotruck Limited 中汽車輛有限公司	Hong Kong 香港	HK\$2 2港元	-	100%	Trading of vehicles and spare parts 買賣車輛及零件
Yardway Dredging Equipment Limited (formerly known as "Vosta LMG Yardway (HK) Limited") (Note 20(c)) (前稱「Vosta LMG Yardway (HK) Limited」)(附註20(c))	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Trading and manufacturing of dredging equipment, components and provision for services in Hong Kong 在香港買賣及製造疏浚設備及部件以及提供服務
Golden Leo Development Limited	Hong Kong 香港	HK\$1 1港元	100%	-	Inactive 無業務
Winsum Investment Limited	British Virgin Islands ("BVI")/ Hong Kong 英屬處女群島/ 香港	HK\$1 1港元	100%	-	Inactive 無業務

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

19. INTEREST IN SUBSIDIARIES (CONTINUED)

Notes:

- a) In accordance with the Articles of Association of Yardway Limited, holders of non-voting deferred shares are entitled to share profit of the company when the profit exceeds HK\$1,000,000 million in any financial year. In accordance with the Articles of Association of Yardway Limited, holders of non-voting deferred shares are entitled to share profit of the company when the profit exceeds HK\$1,000,000 million in any financial year. On a return of assets on winding up or otherwise the assets of the company to be returned shall be distributed as regards the first HK\$5,000,000,000 thereof among the holders of ordinary shares and one half of the balance of such assets shall belong to and be distributed among the holders of the non-voting deferred shares and the other half thereof to and among the holders of the ordinary shares.
- b) Yardway Zhuhai is a wholly-foreign-owned enterprise established in mainland China to operate for 20 years up to 2022.
- c) Yardway Beijing is a wholly-foreign-owned enterprise established in mainland China to operate for 20 years up to 2026.
- d) On 22 April 2008 the Group acquired the remaining 25% interest from Lin Yu Chung, the shareholder and director of the subsidiary, for a consideration of HK\$1.8 per share amounting to HK\$900,000 (Note 39). The consideration paid was approximate to the fair value of net assets acquired. In the opinion of the directors, there was no material profit and loss effect on the acquisition.

19. 附屬公司權益(續)

附註：

- a) 按照啟帆有限公司之章程細則，當本公司於任何財政年度的溢利超出1,000,000,000,000港元時，無投票權遞延股持有人有權攤分溢利。根據啟帆有限公司之章程細則，當任何財政年度溢利超過1,000,000,000,000港元時，無投票權遞延股份之持有人有權攤分本公司之溢利。於本公司清盤而退還資產或本公司因其他原因而退還資產時，首5,000,000,000港元須退還予普通股持有人，餘額之一半乃屬於及須分配予無投票權遞延股份之持有人，另一半則屬於及須分配予普通股之持有人。
- b) 啟帆珠海為於中國大陸成立之外商獨資企業，經營年期至二零二二年止，為期20年。
- c) 啟帆北京為於中國大陸成立之外商獨資企業，經營年期至二零二六年止，為期20年。
- d) 本集團於二零零八年四月二十二日向附屬公司股東兼董事Lin Yu Chung收購餘下25%權益，代價為每股1.8港元計900,000港元(附註39)。已付代價與所收購淨資產之公平值相若。董事認為，收購概無任何重大溢利及虧損影響。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES

Details of the group's interests in the jointly controlled entities that were disposed of during the year are as follows:

20. 共同控制實體權益

本集團於本年度出售之共同控制實體擁有之權益如下：

Name of joint venture 合營企業名稱	Form of business structure 業務架構形式	Place of incorporation/ establishment and operation 註冊成立/ 成立及經營地點	Particulars of issued and fully paid share capital/ contribution 已發行及全額繳足股本/ 注資詳情	Proportion of ownership interest 所有者權益比例		Principal activity 主要業務
				Direct 直接	Indirect 間接	
AST Asia Limited ("AST Asia") (「AST Asia」) (Note (a)) (附註(a))	Incorporated 註冊成立	Hong Kong 香港	HK\$10,000 10,000港元	-	50%	Design and manufacturing of heavy duty bus and coach products 設計及製造重型公共汽車及客車產品
VLY Holding Co. (HK) Limited ("VLY") (「VLY」) (Note (b)) (附註(b))	Incorporated 註冊成立	Hong Kong 香港	HK\$10,000 10,000港元	-	50%	Investment holding 投資控股
Vosta LMG Yardway (HK) Limited ("Vosta Hong Kong") (「Vosta Hong Kong」) (Note (c)) (附註(c))	Incorporated 註冊成立	Hong Kong 香港	HK\$10,000 10,000港元	-	50%	Trading and manufacturing of dredging equipment, components and provision for services in Hong Kong 在香港買賣及製造疏浚設備及部件以及提供服務
Vosta LMG Yardway (Zhuohai) Ltd ("Vosta Zhuohai") (「華斯特珠海」) (Note (d)) (附註(d))	Incorporated 註冊成立	PRC 中國	HK\$750,000 (Note (c)) 750,000港元 (附註(c))	-	50%	Trading and manufacturing of dredging equipment, components and provision for services in PRC 在中國買賣及製造疏浚設備及部件以及提供服務

Notes:

- (a) AST was incorporated in Hong Kong on 25 January 2006 under the Hong Kong Companies Ordinance. AST was disposed on 31 January 2008.
- (b) VLY was incorporated in Hong Kong on 7 June 2006 under the Hong Kong Companies Ordinance. VLY was disposed on 31 October 2007.
- (c) Vosta Hong Kong was incorporated in Hong Kong on 21 September 2006 under the Hong Kong Companies Ordinance. Vosta Hong Kong was disposed on 31 October 2007, on the same day, the Group acquired entire equity interest of Vosta Hong Kong.

附註：

- (a) AST於二零零六年一月二十五日根據香港公司條例在香港註冊成立。AST於二零零八年一月三十一日被出售。
- (b) VLY於二零零六年六月七日根據香港公司條例在香港註冊成立。VLY於二零零七年十月三十一日被出售。
- (c) Vosta Hong Kong於二零零六年九月二十一日根據香港公司條例在香港註冊成立。Vosta Hong Kong於二零零七年十月三十一日被出售，於同日，本集團收購Vosta Hong Kong之全部股權。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

(d) The amount represents paid up capital of Vosta Zhuhai, which is a wholly foreign owned enterprise established in Zhuhai, the PRC on 30 December 2006 under the Law of the PRC applicable to Wholly Foreign Owned Enterprises. The registered capital of Vosta Zhuhai is \$5,000,000. Vosta Zhuhai was disposed on 31 October 2007. At 31 October 2007, the remaining capital contribution of HK\$4,250,000 is required to be paid within eight months.

Included in the consolidated financial statements are the following items that represent the group's 50% interests in the assets and liabilities, revenues and expenses of the jointly controlled entities:

20. 共同控制實體權益 (續)

(d) 該款項指華斯特珠海(於二零零六年十二月三十日根據適用於外商獨資企業之中國法例在中國珠海成立之外商獨資企業)之繳入股本。華斯特珠海之註冊資本為5,000,000港元。華斯特珠海於二零零七年十月三十一日被出售。於二零零七年十月三十一日，其餘注資4,250,000港元須於八個月內支付。

綜合財務報表包括下列代表本集團於共同控制實體的資產及負債、收入及開支應佔之50%權益。

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產	-	177
Current assets	流動資產	-	1,819
Current liabilities	流動負債	-	(3,235)
Net liabilities	負債淨額	-	(1,239)
Income	收益	4,964	1
Expenses	開支	(5,635)	(762)
Loss for the year	本年度虧損	(671)	(761)

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

21. INVENTORIES

a) Inventories in the balance sheets comprise:

Work-in-progress	在製品
Finished goods	製成品
Goods-in-transit	付運中貨品

21. 存貨

a) 資產負債表內的存貨包括：

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
32	30
24,869	21,592
3,220	349
28,121	21,971

b) The analysis of the amount of inventories recognised as an expense is as follows:

Carrying amount of inventories sold	已售存貨的賬面金額
Write-down of inventories	撇減存貨

b) 確認為開支的存貨數額分析如下：

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
229,476	167,195
3,726	1,937
233,202	169,132

22. TRADE AND OTHER RECEIVABLES

Trade receivables	應收款項
Retentions receivable	保留應收款項
Other receivables	其他應收款項
Due from related company	應收關連公司款項
Due from jointly controlled entities	應收共同控制實體款項
Deferred consideration (Note 34)	遞延代價 (附註34)
Loan and receivables	貸款及應收款項
Derivative financial instruments: - forward exchange contracts	衍生金融工具：- 遠期外匯合約
Prepayments and deposits	預付款項及訂金

22. 應收及其他應收款項

The group 本集團		The company 本公司	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
90,928	37,547	-	-
16,103	13,793	-	-
1,144	4,281	-	-
-	274	-	-
-	2,094	-	-
786	-	-	-
108,961	57,989	-	-
54	150	-	-
18,270	24,272	235	137
127,285	82,411	235	137

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

All of the trade and other receivables (including amounts due from related company, jointly controlled entities and deferred consideration), apart from certain retentions receivable are expected to be recovered within one year.

Retentions receivable are amounts which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts. The amount of retentions expected to be recovered after more than one year is HK\$3,931,000 (2007: HK\$5,350,000).

The amount due from related company is unsecured, interest-free and repayable on demand.

The amounts due from jointly controlled entities are unsecured, interest free and repayable on demand, except for an amount of HK\$Nil (2007: HK\$1,000,000) which is bearing interest at 5% per annum and repayable on 31 December 2007.

a) Ageing analysis

Including in trade and other receivables are trade receivables (net of allowance for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

Current	本期
1 to 3 months past due	逾期1至3個月
More than 3 months but less than 12 months past due	逾期3個月以上但少於12個月
More than 12 months past due	逾期12個月以上

The group's credit policy is set out in note 4(a).

22. 應收及其他應收款項(續)

除若干保留應收款項外，所有應收及其他應收款項(包括應收關連公司及共同控制實體款項以及遞延代價)預期於一年內能收回。

保留應收款項乃於支付有關款項之合約所訂明之條件獲履行後方會獲得支付之款項。預期於一年後收回之保留應收款項之金額為3,931,000港元(二零零七年：5,350,000港元)。

應收關連公司款項為無抵押、免息及須於通知時償付。

應收共同控制實體款項為無抵押、免息及須於通知時償付，惟一筆為數零元(二零零七年：1,000,000港元)的款項按每年5%計息並須於二零零七年十二月三十一日償付除外。

a) 賬齡分析

應收及其他應收款項包括應收款項(扣除呆壞賬撥備後淨額)，於結算日的賬齡分析如下：

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
70,893	25,660
9,755	8,563
9,521	2,836
759	488
90,928	37,547

本集團的信貸政策載列於附註4(a)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

b) Impairment of trade receivables

Impairment losses in respect of trade debtors are recorded using an allowance account unless the group is satisfied that the recovery of the amount is remote, in which case the debts are directly impaired as an impairment loss (see note 2(k)).

Movements in the allowance for doubtful debts

At 1 April	於四月一日
Impairment loss recognised (note i)	已確認減值虧損(附註i)
At 31 March	於三月三十一日

Note:

- i) These individually impaired receivables were outstanding for more than 1 year as at the balance sheet date or were due from companies with financial difficulties.

Trade receivables are due within 2 months from the date of billing. Further details on the group's credit policy is set out in note 4(a).

22. 應收及其他應收款項(續)

b) 應收款項之減值

有關應收賬款之減值虧損乃採用準備賬記錄，惟本集團信納收回的可能性極微除外，在此情況下，債項則作為減值虧損直接減值(見附註2(k))。

呆賬準備之變動

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
506	25
633	481
1,139	506

附註：

- i) 該等個別減值之應收款項為於結算日超過一年之未償還款項，或應收有財務困難的公司的款項。

應收款項於發出單據兩個月內到期。有關本集團信貸政策之其他詳情載於附註4(a)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

c) Trade receivables that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

Neither past due nor impaired	並無逾期或減值
1 to 3 months past due	逾期1至3個月
3 to 12 months past due	逾期3至12個月
More than 1 year past due	逾期1年以上

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The group does not hold any collateral over these balances.

22. 應收及其他應收款項(續)

c) 並無減值之應收款項

並無被視為個別或共同減值之應收款項之賬齡分析如下：

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
70,893	25,660
9,755	8,563
9,521	2,836
759	488
90,928	37,547

逾期但並無減值之應收款項乃與於本集團擁有良好往績記錄之若干獨立客戶有關。根據過往經驗，管理層相信，由於信貸質量並無重大變動，且該等餘額仍被視為可全數收回，因此毋須就此等結餘作出減值撥備。本集團並無就此等結餘持有任何抵押品。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

23. PLEDGED BANK DEPOSITS

The amounts are pledged to secure certain bank loans of the group.

23. 已抵押銀行存款

該等款項已就本集團獲得的若干銀行貸款而予以抵押。

24. CASH AND CASH EQUIVALENTS

24. 現金及現金等價物

		The group 本集團		The company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Deposits with banks	銀行存款	33,585	27,042	-	-
Cash at bank and in hand	銀行存款及現金	29,146	18,116	23,788	45
Cash and cash equivalents in the balance sheet	於資產負債表的現金及現金等價物	62,731	45,158	23,788	45
Bank overdrafts (note 26)	銀行透支(附註26)	(2,301)	(1,389)		
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量表的現金及現金等價物	60,430	43,769		

25. TRADE AND OTHER PAYABLES

25. 應付及其他應付款項

		The group 本集團		The company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade and bills payables	應付及應付票據	105,809	60,859	-	-
Other payables and accruals	其他應付款項及應計費用	8,980	7,595	1,209	436
Amounts due to related companies	應付關連公司款項	-	1,328	-	-
Financial liabilities measured at amortised cost	按已攤銷成本計量之金融負債	114,789	69,782	1,209	436
Derivative financial instruments: - foreign exchange contracts	衍生金融工具: - 外匯合約	87	-	-	-
Sales deposits received	已收銷售按金	26,618	23,252	-	-
		141,494	93,034	1,209	436

All trade and other payables are expected to be settled within one year.

預期所有應付及其他應付款項均會於一年內償付。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

25. TRADE AND OTHER PAYABLES (CONTINUED)

The amounts due to related companies are unsecured, interest free and have no fixed terms of repayment, except for an amount of HK\$Nil (2007: HK\$1,000,000) which is interest bearing interest at 5% per annum and repayable on 31 December 2007.

Including in trade and other payables are trade and bills payables with the following ageing analysis as of the balance sheet date.

25. 應付及其他應付款項(續)

應付關連公司款項為無抵押、免息及無固定還款期，惟一筆為數零港元(二零零七年：1,000,000港元)的款項按每年5%計息並須於二零零七年十二月三十一日償付除外。

於結算日，包括在應付及其他應付款項內之應付及應付票據之賬齡分析如下。

		The group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due within 1 month or on demand	於1個月內到期或須於通知時償付	51,171	33,689
Due after 1 month but within 3 months	於1個月後但3個月內到期	5,828	10,876
Due after 3 months but within 6 months	於3個月後但6個月內到期	10,205	5,332
Due after 6 months but within 1 year	於6個月後但1年內到期	19,179	8,280
		86,383	58,177
Bills payable	應付票據	19,426	2,682
		105,809	60,859

26. BANK LOANS AND OVERDRAFTS

At 31 March 2008, the bank loans and overdrafts were repayable as follows:

26. 銀行貸款及透支

於二零零八年三月三十一日，銀行貸款及透支的還款期如下：

		The group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 1 year or on demand	1年內或接獲通知時	12,965	17,008
After 1 year but within 2 years	1年後但2年內	1,423	836
After 2 years but within 5 years	2年後但5年內	1,002	2,767
After 5 years	5年後	2,903	3,366
		5,328	6,969
		18,293	23,977

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

26. BANK LOANS AND OVERDRAFTS (CONTINUED)

At 31 March 2008, the bank loans and overdrafts were secured as follows:

Bank loans	銀行貸款
– secured	– 有抵押
– unsecured	– 無抵押
Bank overdrafts	銀行透支
– secured	– 有抵押
– unsecured (note 24)	– 無抵押(附註24)

At 31 March 2008, certain banking facilities were secured by mortgages over the group's leasehold land and buildings with an aggregate carrying value of HK\$17,000,000 (2007: HK\$30,600,000) and pledge over bank deposits of HK\$8,348,000 (2007: HK\$10,309,000). Such banking facilities amounted to HK\$141,396,000 (2007: HK\$130,300,000). The facilities were utilised to the extent of HK\$13,223,000 at 31 March 2008 (2007: HK\$19,520,000).

Further details of the group's management of liquidity risk are set out in note 4(b).

26. 銀行貸款及透支(續)

於二零零八年三月三十一日，銀行貸款及透支的抵押情況如下：

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
8,523	19,520
6,919	3,068
15,442	22,588
550	–
2,301	1,389
2,851	1,389
18,293	23,977

於二零零八年三月三十一日，若干銀行信貸乃以賬面總值17,000,000港元(二零零七年：30,600,000港元)的本集團租賃土地及樓宇之按揭及銀行存款抵押8,348,000港元(二零零七年：10,309,000港元)。該項銀行信貸為141,396,000港元(二零零七年：130,300,000港元)。於二零零八年三月三十一日，已動用信貸數額為13,223,000港元(二零零七年：19,520,000港元)。

本集團流動資金風險管理之進一步詳情載列於附註4(b)。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

27. OBLIGATIONS UNDER FINANCE LEASES

At 31 March 2008, the group had obligations under finance leases repayable as follows:

Within 1 year	1年內
After 1 year but within 2 years	1年後但2年內
After 2 years but within 5 years	2年後但5年內

At 31 March 2007, the group had obligations under finance leases repayable as follows:

Within 1 year	1年內
After 1 year but within 2 years	1年後但2年內

27. 融資租賃承擔

於二零零八年三月三十一日，本集團的融資租賃承擔的還款期如下：

The group 本集團		
2008 二零零八年		
Present value of the minimum lease payments 最低租賃付款額現值 HK\$'000 千港元	Interest expense relating to future periods 日後期間的利息支出 HK\$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元
396	53	449
396	53	449
66	9	75
462	62	524
858	115	973

於二零零七年三月三十一日，本集團的融資租賃承擔的還款期如下：

The group 本集團		
2007 二零零七年		
Present value of the minimum lease payments 最低租賃付款額現值 HK\$'000 千港元	Interest expense relating to future periods 日後期間的利息支出 HK\$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元
312	34	346
267	11	278
579	45	624

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The company has a share option scheme which was adopted on 28 March 2002, whereby the directors of the company are authorised, at their discretion, to invite employees of the group, including directors of any company in the group, to take up options at a nominal consideration to subscribe for shares of the company. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the SEHK on the date of grant and the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant, 13 November 2006. The options vest in four equal instalments with the first installment vesting from the date of grant. The second, third and fourth instalments vest from one, two and three years after the date of grant respectively. The options are exercisable after the vesting date but within a period of five years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the company. On 20 September 2007, share offer was made to all the holders of the shares, 10,424,000 shares under the share offer were accepted by the offeror parties. Taking into account the 10,424,000 shares accepted under the share offer and the 133,732,000 shares already held by the offeror parties, the offer parties in aggregate held 144,156,000 shares, represent 51.1% of the issued share capital of the company. Accordingly, the condition of the offers has been fulfilled and the offers have become unconditional. The share offer was closed on 25 October 2007.

According to the share option scheme adopted on 28 March 2002, as the share offer made on 20 September 2007 to all the holders of the shares became unconditional, the option holders were, notwithstanding any other terms on which his options were granted, be entitled to exercise the option (to the extent not already exercised) to its full extent at any time thereafter and up to the close of the offer, on 25 October 2007.

28. 以股份支付之股本交易

本公司於二零零二年三月二十八日採納一項購股權計劃，據此，本公司董事獲授權酌情邀請本集團之僱員（包括本集團任何公司之董事）按象徵式代價接受購股權以認購本公司股份。購股權之行使價為以下之最高者：股份面值、於授出日期股份在聯交所之收市價及緊接授出日期（二零零六年十一月十三日）前五個營業日股份在聯交所之平均收市價。購股權分四期平均歸屬，而第一期自授出日期起歸屬。第二、三及四期分別於授出日期後一年、二年及三年起歸屬。購股權可於歸屬日期後行使，惟須於授出日期起五年期間內行使。每份購股權賦予持有人權利認購本公司一股普通股。於二零零七年九月二十日，向所有股份持有人提出售股建議。售股建議之10,424,000股股份獲要約方接納。經計及根據售股建議接納之10,424,000股股份及要約方已持有之133,732,000股股份，要約方合共持有144,156,000股股份，佔本公司已發行股本51.1%。因此，要約之條件已獲達成，要約已成為無條件。售股建議於二零零七年十月二十五日完成。

根據於二零零二年三月二十八日採納之購股權計劃，由於於二零零七年九月二十日向所有股份持有人提出的售股建議成為無條件，故儘管其獲授之購股權尚有其他條款，購股權持有人仍可於其後直至要約完成（二零零七年十月二十五日）隨時完全行使其購股權（以尚未行使者為限）。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

a) The terms and conditions of the grants that existed during the years are as follows:

Options existed during the year 31 March 2008:

	Number of Shares issuable under options granted 根據獲授購股權可 發行之股份數目
Options granted to directors: 已授予董事的購股權：	
– on 13 November 2006 – 於二零零六年十一月十三日	1,650,000
	2,150,000
	2,150,000
	2,150,000
	8,100,000*
Options granted to employees: 已授予僱員的購股權：	
– on 13 November 2006 – 於二零零六年十一月十三日	400,000
	750,000
	750,000
	750,000
	2,650,000**
	10,750,000

* Included 4,500,000 options granted to ex-directors who resigned on 11 October 2007 and 2,600,000 options granted to an ex-director who retired and currently employed as an employee from 11 October 2007. The options granted were still exercisable after change of capacity.

** Included 1,000,000 options granted to employee who was appointed as a director on 21 September 2007. The options granted were still exercisable after change of capacity.

28. 以股份支付之股本交易 (續)

a) 年內，現存已授購股權之條款及條件如下：

於二零零八年三月三十一日年度現存之購股權：

Vesting conditions 歸屬條件	Contractual life of options from date of grant 購股權自授出日期 起計的合約期限
At the date of grant 於授出日期	5 years 五年
One year from the date of grant 自授出日期起一年	5 years 五年
Two years from the date of grant 自授出日期起兩年	5 years 五年
Three years from the date of grant 自授出日期起三年	5 years 五年

At the date of grant 於授出日期	5 years 五年
One year from the date of grant 自授出日期起一年	5 years 五年
Two years from the date of grant 自授出日期起兩年	5 years 五年
Three years from the date of grant 自授出日期起三年	5 years 五年

* 包括向於二零零七年十月十一日辭任的前董事授出的4,500,000份購股權及向自二零零七年十月十一日起已退任且現時作為僱員之前董事授出的2,600,000份購股權。獲授之購股權於身份變更之後仍可行使。

** 包括向於二零零七年九月二十一日獲委任為董事的僱員授出的1,000,000份購股權。獲授之購股權於身份變更之後仍可行使。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

a) The terms and conditions of the grants that existed during the years are as follows: (Continued)

Options existed during the year 31 March 2007:

	Number of Shares issuable under options granted 根據獲授購股權可 發行之股份數目
Option Shares granted to directors: 已授予董事的購股權股份：	
– on 13 November 2006 – 二零零六年十一月十三日	2,150,000
	2,150,000
	2,150,000
	2,150,000
	8,600,000
Option Shares granted to employees: 已授予僱員的購股權股份：	
– on 13 November 2006 – 二零零六年十一月十三日	750,000
	750,000
	750,000
	750,000
	3,000,000
	11,600,000

28. 以股份支付之股本交易 (續)

a) 年內，現存已授購股權之條款及條件如下： (續)

於二零零七年三月三十一日年度現存之購股權：

Vesting conditions 歸屬條件	Contractual life of options from date of grant 購股權自授出日期 起計的合約期限
At the date of grant 於授出日期	5 years 五年
One year from the date of grant 授出日期起一年	5 years 五年
Two years from the date of grant 授出日期起兩年	5 years 五年
Three years from the date of grant 授出日期起三年	5 years 五年

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

b) The number and weighted average exercise prices of share options are as follows:

Outstanding at 1 April	於四月一日尚未行使
Granted during the year	年內已授出
Exercised during the year	年內已行使
Forfeited during the year	年內已失效
Outstanding at 31 March	於三月三十一日尚未行使
Exercisable at the end of year	於年終可予行使

The weighted average share price at the date of exercise for share options exercised during the year was HK\$1.37 (2007: HK\$0.53).

The options outstanding at 31 March 2007 had an exercise price of HK\$ 0.21 and a weighted average remaining contractual life of 4.6 years. 7,398,000 options were exercised during the year, of which 4,000,000 options were early exercised before vesting date under the condition of share option scheme in respect of the unconditional share offer. The remaining 3,352,000 options were forfeited upon the close of the unconditional share offer.

28. 以股份支付之股本交易(續)

b) 購股權的數目和加權平均行使價如下：

2008 二零零八年		2007 二零零七年	
Weighted average exercise price	Number of Shares issuable under options	Weighted average exercise price	Number of Shares issuable under options
加權平均行使價 HK\$ 港元	根據購股權可 發行之股份數目	加權平均 行使價 HK\$ 港元	根據購股權可 發行之股份數目
0.21	10,750,000	-	-
-	-	0.21	11,600,000
0.21	(7,398,000)	0.21	(850,000)
0.21	(3,352,000)	-	-
	-	0.21	10,750,000
	-		2,050,000

於年內已行使的購股權於行使日期之加權平均股價為1.37港元(二零零七年：0.53港元)。

於二零零七年三月三十一日尚未行使的購股權的行使價為0.21港元，而加權平均剩餘合約年期為4.6年。年內已行使7,398,000份購股權，其中4,000,000份購股權乃就無條件售股建議根據購股權計劃之條件已歸屬日期前提早行使。剩餘3,352,000份購股權於無條件售股建議完成後失效。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

c) Fair value of share options and assumption

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

28. 以股份支付之股本交易(續)

c) 購股權的公允值及假設

授出購股權而收取的服務公允值，乃參照已獲授出購股權的公允值計量。已授出購股權估計公允值乃根據二項式點陣模式為基準計量。購股權的合約期限乃本模式所用的計算資料。提早行使的預期已納入二項式點陣模式。

		2008 二零零八年	2007 二零零七年
Fair value of share options and assumptions	購股權的公允值及假設		
Fair value at measurement date (HK\$)	於計量日期的公允值(港元)	-	0.06-0.09
Share price (HK\$)	股價(港元)	-	0.21
Exercise price (HK\$)	行使價(港元)	-	0.21
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	預期波幅(按二項式點陣模式所用加權平均波幅而呈列)	-	60%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	購股權期限(按二項式點陣模式所用之加權平均期限而呈列)	-	5 years 五年
Expected dividends	預期股息	-	3.6%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率 (按照外匯基金票據)	-	3.75%

The expected volatility is based on the historic volatility (calculated based on the weighed average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅是根據歷史波幅(按購股權的加權平均尚餘有效期)而得出，並就公開資料未來出現波動而可能產生的任何預期變動予以調整。預期股息乃以過往股息為基準。具主觀成份的計算資料如有變動，可能重大影響公允值的估計。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

c) Fair value of share options and assumption (Continued)

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

29. INCOME TAX IN THE BALANCE SHEET

a) Current taxation in the balance sheet represents:

Provision for Hong Kong profits tax for the year	本年度香港利得稅準備	22	107	-	-
Provisional Hong Kong profits tax paid	已付暫繳香港利得稅	-	(126)	-	-
		22	(19)	-	-
Balance of tax recoverable relating to prior years	以往年度可退回稅項結餘	(1,926)	(1,878)	-	-
		(1,904)	(1,897)	-	-
PRC enterprise income tax	中國企業所得稅	983	147	-	-
		(921)	(1,750)	-	-
Representing:	代表：				
Tax recoverable	可退回稅項	(1,926)	(1,942)	-	-
Tax payable	應付稅項	1,005	192	-	-

28. 以股份支付之股本交易 (續)

c) 購股權的公允值及假設 (續)

購股權是根據服務條件而授出。計算所收取服務公允值的授出日期時，並無計入此項條件。授出購股權與市況無關。

29. 資產負債表內的所得稅

a) 資產負債表內的本期稅項乃指：

		The group 本集團		The company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		22	107	-	-
		-	(126)	-	-
		22	(19)	-	-
		(1,926)	(1,878)	-	-
		(1,904)	(1,897)	-	-
		983	147	-	-
		(921)	(1,750)	-	-
		(1,926)	(1,942)	-	-
		1,005	192	-	-

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

29. INCOME TAX IN THE BALANCE SHEET (CONTINUED)

b) Deferred tax assets and liabilities recognised:

The group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

29. 資產負債表內的所得稅(續)

b) 已確認遞延稅項資產及負債：

本集團

年內，已於綜合資產負債表內確認的遞延稅項(資產)/負債組成部分及變動如下：

		Depreciation allowances		Revaluation of other properties	Provision for warranty	Write-down of inventory	Tax losses	Other	Total
		Revaluation of investment properties	in excess of related depreciation						
		properties	of related depreciation	properties	for warranty	of inventory	losses	Other	Total
		投資物業重估	超過相關折舊的折舊免稅額	其他物業重估	保證撥備	存貨減記	稅務虧損	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Deferred tax arising from:	因下列各項產生的遞延稅項：								
At 1 April 2006	於二零零六年四月一日	700	699	231	(6)	(67)	(1,470)	-	87
Charged/(credited) to profit of loss	自損益中扣除/(計入)	228	(172)	-	6	67	(550)	(56)	(477)
Charged to reserve	自儲備扣除	-	-	624	-	-	-	-	624
At 31 March 2007	於二零零七年三月三十一日	928	527	855	-	-	(2,020)	(56)	234

		Depreciation allowances		Revaluation of other properties	Provision for warranty	Write-down of inventory	Tax losses	Other	Total
		Revaluation of investment properties	in excess of related depreciation						
		properties	of related depreciation	properties	for warranty	of inventory	losses	Other	Total
		投資物業重估	超過相關折舊的折舊免稅額	其他物業重估	保證撥備	存貨減記	稅務虧損	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Deferred tax arising from:	因下列各項產生的遞延稅項：								
At 1 April 2007	於二零零七年四月一日	928	527	855	-	-	(2,020)	(56)	234
Exchange difference	滙兌差額	-	-	47	-	-	-	-	47
Charged/(credited) to profit of loss	自損益中扣除/(計入)	(896)	342	-	-	-	586	-	32
Charged to reserve	自儲備扣除	-	-	299	-	-	-	-	299
At 31 March 2008	於二零零八年三月三十一日	32	869	1,201	-	-	(1,434)	(56)	612

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

29. INCOME TAX IN THE BALANCE SHEET (CONTINUED)

b) Deferred tax assets and liabilities recognised: (Continued)

Net deferred tax assets recognised on the balance sheet	已於資產負債表內確認的遞延稅項資產淨值
Net deferred tax liabilities recognised on the balance sheet	已於資產負債表內確認的遞延稅項負債淨值

c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in the note 2(s), the group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$16,303,105 (2007: HK\$22,724,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under the current tax legislation.

30. PROVISION FOR WARRANTY

At 1 April	於四月一日
Additional provision made	提撥額外撥備
Provision utilised	已動用撥備
Disposal of subsidiaries (Note 33)	出售附屬公司(附註33)

At 31 March 於三月三十一日

Under the terms of the group's sales agreements, the group will rectify any product defects arising within one year of the delivery of yachts to customers. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the one year prior to the balance sheet date. The amount of provision takes into account the group's recent claim experience and is only made where a warranty claim is probable.

29. 資產負債表內的所得稅(續)

b) 已確認遞延稅項資產及負債:(續)

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
(237)	(237)
849	471
612	234

c) 未確認的遞延稅項資產:

按照附註2(s)載列的會計政策，本集團並無確認有關累積稅務虧損16,303,105港元(二零零七年:22,724,000港元)的遞延稅項資產，原因為未能確定在相關稅務司法權區及實體是否具有未來應課溢利而令該項資產得以運用。根據現行稅法，該等稅務虧損並無到期日。

30. 保證撥備

The group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
117	99
6	24
-	(6)
(123)	-
-	117

根據本集團銷售協議的條款，於運送遊艇給客戶後一年內，本集團將就產品故障提供維修。因此，本集團已根據該等協議就結算日前一年內所進行銷售的預期申索最佳估計而提撥備。撥備額以本集團近期申索經驗作為考慮基準，並只於可能被提出保用申索時方作出撥備。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

31. SHARE CAPITAL

a) Authorised and issued capital

Authorised:	法定股本：
Ordinary shares of HK\$0.1 each	每股面值0.1港元 之普通股
Ordinary shares, issued and fully paid:	已發行及繳足普通股：
At 1 April	於四月一日
Shares issued under share option scheme (Note 28(b))	根據購股權計劃 發行股份(附註28(b))
At 31 March	於三月三十一日

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

b) Shares issued under share option scheme

On 13 April 2007, 12 October 2007, 15 October 2007 and 22 October 2006, options were exercised by holders to subscribe for 1,136,000, 3,760,000, 1,502,000 and 1,000,000 ordinary shares in the company respectively for a total consideration of HK\$1,554,000 of which HK\$740,000 was credited to share capital and the balance of HK\$814,000 was credited to the share premium account. HK\$444,000 has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 2(r).

31. 股本

a) 法定及已發行股本

2008 二零零八年		2007 二零零七年	
Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
2,000,000	200,000	2,000,000	200,000
280,850	28,085	280,000	28,000
7,398	740	850	85
288,248	28,825	280,850	28,085

普通股持有人有權收取不時宣派的股息，並有權在本公司會議上就每一股股份投一票。所有普通股對本公司剩餘資產均享有同等地位。

b) 根據購股權計劃發行股份

於二零零七年四月十三日、二零零七年十月十二日、二零零七年十月十五日及二零零六年十月二十二日，持有人已分別行使購股權以認購1,136,000股、3,760,000股、1,502,000股及1,000,000股普通股，總代價為1,554,000港元，其中740,000港元已計入股本，而餘額814,000港元已計入股份溢價賬。根據附註2(r)所載政策，444,000港元已由資本儲備轉撥至股份溢價賬。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

31. SHARE CAPITAL (CONTINUED)

c) Terms of unexpired and unexercised share options at balance sheet date

Exercise period 行使期	
13 November 2006 to 12 November 2011	二零零六年十一月十三日至 二零一一年十一月十二日
13 November 2007 to 12 November 2011	二零零七年十一月十三日至 二零一一年十一月十二日
13 November 2008 to 12 November 2011	二零零八年十一月十三日至 二零一一年十一月十二日
13 November 2009 to 12 November 2011	二零零九年十一月十三日至 二零一一年十一月十二日

Each option entitles the holder to subscribe for one ordinary share in the options are set out in note 28 to the financial statements. As mentioned in note 28(b), all the remaining 3,352,000 options were forfeited upon the close of the unconditional share offer.

31. 股本(續)

c) 於結算日，未屆滿及未行使購股權的條款

Exercise price 行使價 HK\$ 港元	2008 二零零八年 Number 數目	2007 二零零七年 Number 數目
0.21	-	2,050,000
0.21	-	2,900,000
0.21	-	2,900,000
0.21	-	2,900,000
	-	10,750,000

每份購股權賦予持有人認購一股普通股的權利，詳情載於財務報表附註28。如附註28(b)所述，所有剩餘3,352,000份購股權均於無條件授股建議完成後失效。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES

32. 儲備

The group

本集團

		Share premium	Capital reserve	Contributed surplus	Exchange reserve	Revaluation reserve – land and buildings	Other reserves	Retained earnings	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	重估儲備 — 土地 及樓宇	其他儲備	保留盈利	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	3,728	(4,665)	(180)	111	4,953	231	75,452	79,630
Dividends approved in respect of previous year	就上年度已批准之股息	-	-	-	-	-	-	(2,800)	(2,800)
Shares issued under share option scheme	根據購股權計劃發行股份	145	(51)	-	-	-	-	-	94
Exchange differences on translation of the financial statements of PRC subsidiaries	換算中國附屬公司財務報表產生之匯兌差額	-	-	-	678	-	-	-	678
Revaluation surplus, net of deferred tax	重估盈餘，扣除遞延稅項	-	-	-	-	2,413	-	-	2,413
Equity-settled share-based transactions	以股份支付之股本交易	-	327	-	-	-	-	-	327
Transfer to other reserves	轉撥至其他儲備	-	-	-	-	-	89	(89)	-
Loss for the year	本年度虧損	-	-	-	-	-	-	(2,735)	(2,735)
At 31 March 2007	於二零零七年三月三十一日	3,873	(4,389)	(180)	789	7,366	320	69,828	77,607
At 1 April 2007	於二零零七年四月一日	3,873	(4,389)	(180)	789	7,366	320	69,828	77,607
Shares issued under share option scheme	根據購股權計劃發行股份	1,258	(444)	-	-	-	-	-	814
Exchange differences on translation of the financial statements of PRC subsidiaries	換算中國附屬公司財務報表產生之匯兌差額	-	-	-	1,244	-	-	-	1,244
Revaluation surplus, net of deferred tax	重估盈餘，扣除遞延稅項	-	-	-	-	4,966	-	-	4,966
Equity-settled share-based transactions	以股份支付之股本交易	-	543	-	-	-	-	-	543
Transfer to other reserves	轉撥至其他儲備	-	-	-	-	-	1,624	(1,624)	-
Share option forfeited	購股權失效	-	(375)	-	-	-	-	375	-
Disposal of subsidiaries	出售附屬公司	-	4,665	-	-	-	-	(4,665)	-
Profit for the year	本年度溢利	-	-	-	-	-	-	7,104	7,104
At 31 March 2008	於二零零八年三月三十一日	5,131	-	(180)	2,033	12,332	1,944	71,018	92,278

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES (CONTINUED)

The company

	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained profits/ (accumulated losses) 保留盈利/ (累積虧損) HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2006 Dividends approved in respect of previous year	3,728	-	59,063	(836)	61,955
Shares issued under share option scheme	-	-	-	(2,800)	(2,800)
Equity-settled share-based transactions	145	(51)	-	-	94
Profit for the year	-	327	-	-	327
At 31 March 2007	-	-	-	4,092	4,092
At 1 April 2007 Shares issued under share option scheme	3,873	276	59,063	456	63,668
Equity-settled share-based transactions	1,258	(444)	-	-	814
Share option lapsed	-	543	-	-	543
Profit for the year	-	(375)	-	375	-
At 31 March 2008	-	-	-	13,223	13,223
At 31 March 2008	5,131	-	59,063	14,054	78,248

32. 儲備(續)

本公司

	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained profits/ (accumulated losses) 保留盈利/ (累積虧損) HK\$'000 千港元	Total 總額 HK\$'000 千港元
於二零零六年四月一日 就上年度已批准之股息	3,728	-	59,063	(836)	61,955
根據購股權計劃發行股份	-	-	-	(2,800)	(2,800)
以股份支付之股本交易	145	(51)	-	-	94
本年度溢利	-	327	-	-	327
於二零零七年三月三十一日	-	-	-	4,092	4,092
於二零零七年四月一日 根據購股權計劃 發行股份	3,873	276	59,063	456	63,668
以股份支付之股本交易	1,258	(444)	-	-	814
購股權失效	-	543	-	-	543
本年度溢利	-	(375)	-	375	-
於二零零八年三月三十一日	-	-	-	13,223	13,223
於二零零八年三月三十一日	5,131	-	59,063	14,054	78,248

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES (CONTINUED)

Nature and purpose of reserves

a) Share premium and contributed surplus

Under the Companies Law (Revised) of the Cayman Islands, the share premium account and contributed surplus account of the company are distributable to the shareholders of the company provided that immediately following the date on which a dividend is proposed to be distributed, the company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The contributed surplus of the company arose from the difference between the consolidated net assets of the group's subsidiaries acquired and the nominal value of the company's ordinary shares issued pursuant to the group reorganisation in 2002.

b) Capital reserve

The capital reserve comprises the following:

- the positive goodwill which arose from the acquisition of business on 18 March 2000 and had previously been taken directly to reserve; and
- the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the company recognised in accordance with the accounting policy adopted for share based payments in note 2(r).

32. 儲備(續)

儲備的性質和目的

a) 股份溢價及實繳盈餘

根據開曼群島公司法(經修訂),本公司股份溢價賬及實繳盈餘賬可供分派予本公司股東,惟於緊隨建議分派股息日後,本公司須有能力償還其於日常業務過程中已到期的債務。

本公司的實繳盈餘源自本集團根據於二零零二年重組所購入附屬公司的綜合資產淨值與本公司根據重組的已發行普通股面值之間的差額。

b) 資本儲備

資本儲備包括以下各項:

- 源自於二零零零年三月十八日收購業務所產生及過往曾被直接撥進儲備的正商譽;及
- 根據附註2(r)就以股份支付而採納的會計政策,所確認已授予本公司董事僱員的未行使購股權的實際或估計數目的公允值。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES (CONTINUED)

Nature and purpose of reserves (continued)

c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(v).

d) Revaluation reserve

The revaluation reserves have been set up and are dealt with in accordance with the accounting policies adopted for leasehold land and buildings in note 2(i). The revaluation reserve is not distributable to shareholders.

e) Other reserves

Subsidiaries and jointly controlled entities of the group in the PRC, which are wholly foreign-owned enterprises, follow the accounting principles and relevant financial regulations of the PRC applicable to wholly foreign-owned enterprises ("PRC GAAP-WFOE"), in the preparation of their accounting records and financial statements. Pursuant to the accounting regulations for business enterprises, the subsidiaries and jointly controlled entities are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP-WFOE for each year to a statutory reserve. The profits must first be used to set off against any accumulated losses. The appropriations to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends, but may be used to set off losses or be converted into paid-in capital.

32. 儲備(續)

儲備的性質和目的(續)

c) 匯兌儲備

匯兌儲備包括源自換算海外業務財務報表的所有匯兌差異。該儲備按照附註2(v)所載列的會計政策處理。

d) 重估儲備

重估儲備已獲設立，並按附註2(i)所載列就租賃土地及樓宇採納的會計政策處理。給予股東之重估儲備不可分配。

e) 其他儲備

本集團的中國附屬公司或共同控制實體(均為外商獨資企業)依循適用於外商獨資企業的會計原則及中國相關財務規例(「中國公認會計原則—外商獨資企業」)編製其會計記錄及財務報表。根據就商業企業而採納的會計規例，附屬公司及共同控制實體每年須分配按中國公認會計原則—外商獨資企業的溢利10%分配至法定儲備內。溢利首先必須用作抵銷任何累積虧損。於抵銷任何累積虧損後，分配至法定儲備的數額必須尚未扣除分派予股東的股息前，而且該項分配於達致註冊資本50%時可予停止。此法定儲備不可以現金股息方式分派，惟可用作抵銷虧損或轉換成繳足股本。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES (CONTINUED)

Nature and purpose of reserves (continued)

f) Distributability of reserves

At 31 March 2008, the aggregate amount of reserves available for distribution to equity shareholders of the company was HK\$78,248,000 (2007: HK\$63,668,000). The directors did not propose a final dividend for the year (2007: no dividend was declared).

g) Capital risk management

The group's primary objectives when managing capital are to safeguard the group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the group defines net debt as total debt (which includes bank borrowings and other financial liabilities) less bank deposits and cash. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

32. 儲備(續)

儲備的性質和目的(續)

f) 儲備分派情況

於二零零八年三月三十一日，可供分派予本公司股權持有人的儲備總金額為78,248,000港元(二零零七年：63,668,000港元)。董事不建議派付年內之末期股息(二零零七年：無宣派股息)。

g) 資本風險管理

本集團管理資本主要旨在保障本集團的持續經營能力，從而能夠繼續為股東帶來回報及為其他股東帶來利益，以及維持理想的資本架構以減少資本成本。

本集團積極及定期檢討及管理其資本架構，以維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡，並就經濟環境的轉變對資本架構進行調整。

本集團按債務淨額對經調整資本比率的基準監察其資本結構。為此，本集團界定債務淨額為債務總額(包括銀行貸款及其他金融負債)減銀行存款及現金。經調整資本包括所有股本成份減非累計擬派股息。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

32. RESERVES (CONTINUED)

Nature and purpose of reserves (continued)

g) Capital risk management (continued)

During 2008, the group's strategy, which was unchanged from 2007, was to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. As at 31 March 2008 and 2007, the group did not have net debt.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

33. DISPOSAL OF SUBSIDIARIES

In order to simplify the group structure, the group took the following transactions to dispose of three subsidiaries and a jointly controlled entity owned by a subsidiary disposed of.

On 16 November 2007, the group entered into a sale and purchase agreement with an independent third party to dispose of its 51% interest in Yardway Marine Limited for a consideration of HK\$5,100. A gain on disposal of HK\$580,000 arose from this transaction.

On 31 January 2008, the group disposed of the entire interest in Yardway Enterprise Limited ("Yardway Enterprise") together with its 67% direct interest in a subsidiary, INTEQ Asia Limited, and its 50% direct interest in a jointly controlled entity, AST Asia Limited, to an independent third party for a consideration of HK\$10,000. The disposal was completed on 31 January 2008. A loss on disposal of HK\$286,000 arose from this transaction.

32. 儲備(續)

儲備的性質和目的(續)

g) 資本風險管理(續)

於二零零八年，本集團秉承二零零七年的策略，將債務淨額對經調整資本比率維持於盡可能低的水平。為保持或調整該比率，本集團可調整向股東支付之股息金額、向股東發還資本、發行新股或出售資產以減債。於二零零八年及二零零七年三月三十一日，本集團並無負債淨額。

本公司及其附屬公司並無受外界施加的資本規定所規限。

33. 出售附屬公司

為簡化集團架構，本集團進行下列交易，以出售三家附屬公司及由一家已出售附屬公司擁有之共同控制實體。

於二零零七年十一月十六日，本集團與獨立第三方訂立買賣協議，內容有關以代價5,100港元出售其於啟帆遊艇有限公司51%的權益。交易產生的收益580,000港元乃產生自該出售事項。

於二零零八年一月三十一日，本集團以代價10,000港元向獨立第三方出售於啟帆精機有限公司(「啟帆精機」)的全部權益，連同於其附屬公司INTEQ Asia Limited的67%間接權益以及於一間共同控制實體AST Asia Limited的50%直接權益。出售事項於二零零八年一月三十一日完成。交易產生的虧損286,000港元乃產生自該出售事項。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

33. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Details of the net liabilities disposed of in respect of the disposal of subsidiaries are summarised below:

33. 出售附屬公司(續)

有關出售附屬公司產生的出售負債淨額的詳情概述如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
NET LIABILITIES DISPOSED OF	出售負債淨額		
Plant and equipment	廠房及設備	15	-
Inventories	存貨	2,345	-
Trade receivables	應收款項	910	-
Due from related companies	應收關聯公司款項	276	-
Tax recoverable	可退回稅項	128	-
Bank balances and cash	銀行結餘及現金	188	-
Trade and other payables	應付及其他應付款項	(1,858)	-
Bank overdraft	銀行透支	(1,833)	-
Due to a related company	應付一間關聯公司款項	(328)	-
Provision for warranty (Note 30)	保證撥備(附註30)	(123)	-
		(280)	-
Gain on disposal of subsidiaries	出售附屬公司收益	295	-
		15	-
Satisfied by cash consideration	以現金代價支付	15	-
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：		
Cash received	已收現金	15	-
Bank balances and cash disposed of	已出售的銀行結餘及現金	(188)	-
Bank overdraft disposed of	已出售銀行透支	1,833	-
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司產生的現金及現金等價物流出淨額	1,660	-

The subsidiaries disposed of during the year did not contribute significantly to the group's results and cash flows for current and prior year.

於本年度出售附屬公司對本集團當年及上年度業績及現金流量並無重大影響。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

34. DISPOSAL OF JOINTLY CONTROLLED ENTITIES

In order to simplify the group structure, the group took the following transaction to dispose of three jointly controlled entities. The principal activities of these jointly controlled entities is disclosed in note 20.

On 12 August 2007, the group entered into a sale and purchase agreement with a joint venture partner for the dispose of its 50% equity interest in VLY Holding Co. (HK) Limited ("VLY") together with its 100% direct interest in two subsidiaries, Vosta LMG Yardway (HK) Limited ("Vosta Hong Kong") and Vosta LMG Yardway (Zhuhai) Limited ("Vosta Zhuhai"), for a total consideration of approximately HK\$3,876,000. The disposal was completed on 31 October 2007. A gain on disposal of HK\$ 4,658,000 arose from this transaction.

Details of the net liabilities disposed of in respect of the disposal of jointly controlled entities are summarised below:

NET LIABILITIES DISPOSED OF	出售負債淨額
Plant and equipment	廠房及設備
Inventories	存貨
Trade and other receivables	應收及其他應收款項
Bank balances and cash	銀行結餘及現金
Trade and other payables	應付及其他應付款項
Gain on disposal of jointly controlled entities	出售共同控制實體產生的收益
Satisfied by:	由下列各項支付：
Cash consideration	現金代價
Deferred consideration (Note22)	遞延代價(附註22)
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：
Cash received	已收現金
Bank balances and cash disposed of	已出售銀行結餘及現金
Net inflow of cash and cash equivalents in respect of the disposal of jointly controlled entities	出售共同控制實體產生的現金及現金等價物流入淨額

The jointly controlled entities disposed of during the year did not contribute significantly to the Group's results and cash flows for current and prior year.

34. 出售共同控制實體

為簡化集團架構，本集團進行以下交易，以出售三家共同控制實體。該等共同控制實體之主要業務於附註20內披露。

於二零零七年八月十二日，本集團與合營方訂立買賣協議，內容有關出售其於VLY Holding Co. (HK) Limited (「VLY」) 50%的權益連同於其兩間附屬公司Vosta LMG Yardway (HK) Limited (「Vosta Hong Kong」)與珠海華斯特啟帆疏浚設備有限公司(「華斯特珠海」) 100%的權益，總代價為約3,876,000港元。出售事項於二零零七年十月三十一日完成。交易產生的收益4,658,000港元乃產生自此項交易。

有關出售共同控制實體產生的出售負債淨額的詳情概述如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
232	—
39	—
976	—
1,806	—
(3,835)	—
(782)	—
4,658	—
3,876	—
3,090	—
786	—
3,876	—
3,090	—
(1,806)	—
1,284	—

於本年度出售共同控制實體對本集團當年及上年度業績及現金流量並無重大影響。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

35. ACQUISITION OF A SUBSIDIARY

On 12 August 2007, the group entered into sale and purchase agreement with a joint venture partner as mentioned in note 34. The group acquired the entire equity interest in Vosta Hong Kong from VLY for a consideration of HK\$10,000. The acquisition was completed on 31 October 2007. A negative goodwill of HK\$113,000 arose from this acquisition. The negative goodwill represented the excess of the fair value of assets and liabilities of the subsidiary acquired at the 31 October 2007, completion date of the transaction, and the total consideration HK\$10,000 agreed between the company and vendor on 12 August 2007.

The fair value of net assets acquired of was approximated to the carrying amount immediately before the combination. Details of the net assets acquired in respect of the acquisition of a subsidiary are summarised below:

35. 收購附屬公司

如附註34所述，本集團於二零零七年八月十二日與合營方訂立買賣協議。本集團自VLY以代價10,000港元收購Vosta Hong Kong的全部股權。該項收購於二零零七年十月三十一日完成。負商譽113,000港元乃產生自該等收購事項。負商譽指所收購附屬公司之資產及負債於二零零七年十月三十一日(交易完成日期)之公允值超出本公司與賣方於二零零七年八月十二日協議之總代價10,000港元之金額。

所收購淨資產之公平值與其緊接合併之前之賬面值相若。有關收購一間附屬公司產生的收購資產淨額的詳情概述如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
NET ASSETS ACQUIRED OF	收購資產淨額		
Plant and equipment	廠房及設備	31	-
Inventories	存貨	21	-
Trade and other receivables	應收及其他應收款項	1,560	-
Bank balances and cash	銀行結餘及現金	1,667	-
Due from related companies	應收關聯公司款項	1,774	-
Trade and other payables	應付及其他應付款項	(4,930)	-
		123	-
Negative Goodwill	負商譽	(113)	-
		10	-
Satisfied by:	由下列各項支付：		
Cash consideration	現金代價	10	-
Net cash outflow arising on acquisition:	因收購產生的現金流出淨額：		
Cash paid	已付現金	(10)	-
Bank balances and cash acquired	已收購銀行結餘及現金	1,667	-
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiary	收購附屬公司產生的現金及現金等價物流入淨額	1,657	-

Vosta Hong Kong contributed approximately HK\$55,000 to the Group's profit for the period between the date of acquisition and the balance sheet date.

Vosta Hong Kong於自收購日期至結算日期間為本集團貢獻溢利約55,000港元。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

35. ACQUISITION OF A SUBSIDIARY (CONTINUED)

If the acquisition had been completed on 1 April 2007, total group revenue for the year would have been HK\$303,448,000, and profit for the year would have been HK\$6,694,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of the group that actually would have been achieved had the acquisition been completed on 1 April 2007, nor is it intended to be a projection of future results.

36. COMMITMENTS

a) Capital commitments outstanding at 31 March 2008 not provided for in the financial statements were as follows:

Contracted for 已訂約

In addition to the above, the group's proportionate share of the jointly controlled entity's capital contribution amounted to HK\$Nil at 31 March 2008 (2007: HK\$2,125,000).

b) At 31 March 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year 1年內
After 1 year but within 5 years 1年後但5年內

35. 收購附屬公司(續)

倘收購已於二零零七年四月一日完成，本集團年內收入總額將為303,448,000港元，年內溢利則將為6,694,000港元。備考資料僅供說明用途，並非一定表明若收購於二零零七年四月一日完成本集團實際將實現之收入及業績，亦非對未來業績之預測。

36. 承擔

a) 於二零零八年三月三十一日，尚未在財務報表作準備的資本承擔如下：

The group 本集團		The company 本公司	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
-	7,214	-	-

除以上者外，於二零零八年三月三十一日，本集團按比例攤分共同控制實體的出資達為零港元(二零零七年：2,125,000港元)。

b) 於二零零八年三月三十一日，本集團根據不可撤銷的經營租賃在日後應付的最低租賃付款總額如下：

The group 本集團		The company 本公司	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,535	1,780	-	-
237	837	-	-
1,772	2,617	-	-

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

36. COMMITMENTS (CONTINUED)

b) At 31 March 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows: (Continued)

The group is a lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

37. CONTINGENT LIABILITIES

Financial guarantees issued

At 31 March 2008, the company has undertaken to guarantee certain banking facilities granted to certain subsidiaries to the extent of HK\$211,315,200 (2007: HK\$238,000,000).

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the company under any of the guarantees. The maximum liability of the company at the balance sheet date under the guarantees issued is the facilities drawn down by the subsidiaries totalling HK\$53,865,000 (2007: HK\$46,372,000).

38. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out with related parties during the year:

a) Key management personnel remuneration

Remuneration for key management personnel of the group, including amounts paid to the company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

Short-term employee benefits	短期僱員福利
Retirement scheme contributions	退休計劃供款
Equity compensation benefits	股本補償福利

36. 承擔(續)

b) 於二零零八年三月三十一日，本集團根據不可撤銷的經營租賃在日後應付的最低租賃付款總額如下：(續)

本集團為多項根據經營租賃持有的物業的承租人。這些租賃一般初步年期為一年至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商議。各項租賃均不包含或有租金。

37. 或然負債

已發出財務擔保

於二零零八年三月三十一日，本公司已承諾就若干附屬公司獲授之若干銀行融資作出擔保，為數211,315,200港元(二零零七年：238,000,000港元)。

於結算日，董事不認為可能根據任何擔保對本公司作出申索。本公司於結算日根據已發出之擔保之最大負債為附屬公司已提取之融資，合共53,865,000港元(二零零七年：46,372,000港元)。

38. 重大關連人士交易

除財務報表其他章節所披露的關連人士資料外，於本年度內，本集團與關連人士進行以下重大關連人士交易：

a) 主要管理人員酬金

主要管理人員酬金(包括附註9所披露支付予本公司董事的數額及附註10所披露支付予若干最高薪僱員的數額)如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
6,684	5,562
66	65
543	327
7,293	5,954

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

38. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

b) The group entered into the following related party transactions with a joint venture partner

Sales of goods	銷售貨品
Service income	服務收入
Commission income	佣金收入
Purchase of goods	購買貨品

Except for the related party transactions disclosed above, the group entered into a sale and purchase agreement with the joint venture partner for the dispose of its 50% equity interest in VLY together with its 100% direct interest in two subsidiaries, Vosta Hong Kong and Vosta Zhuhai for a total consideration of approximately HK\$3,876,000. The disposal was completed on 31 October 2007. A gain on disposal of HK\$4,658,000 arose from this transaction. On the same day, the group acquired the entire equity interest in Vosta Hong Kong from VLY for a consideration of HK\$10,000. A negative goodwill of HK\$113,000 arose from this acquisition. (Notes 34 and 35)

c) Other related party transactions

Rental paid	已付租金	(i)
Purchases from related party	向關連人士購買貨品	(ii)
Sales to related party	向關連人士銷售	(ii)
Staff costs	員工成本	(iii)

Notes:

- Fong Kit Wah, Alan, an ex-director of the company from 11 October 2007, leased properties in the PRC to the group as the office premises of a representative office of the group and to a jointly controlled entity as a staff quarter.
- The group sold or purchased vehicle spare parts and equipment to/from Langfang Yardway Machinery and Equipment Limited which was controlled by Fong Kit Wah, Alan, an ex-director of the company.
- The amount represents staff costs paid to an individual minority shareholder of a non-wholly owned subsidiary.

38. 重大關連人士交易 (續)

b) 本集團與一名合營夥伴訂立以下關連人士交易

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
15,254	21,142
1,119	1,295
-	520
760	690

除以上披露之關連人士交易外，本集團與合營伙伴訂立買賣協議，內容有關出售其於VLY擁有之50%股權以及其擁有兩家附屬公司Vosta Hong Kong及華斯特珠海之100%直接權益，代價總額約為3,876,000港元。該項出售於二零零七年十月三十一日完成。於同日因該項交易而產生出售收益4,658,000港元。本集團以代價10,000港元向VLY收購Vosta Hong Kong之全部股權。該項收購產生負商譽113,000港元(附註34及35)。

c) 其他關連人士交易

Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
(i)	-	226
(ii)	-	840
(ii)	176	-
(iii)	777	414

附註：

- 本公司執行董事方傑華(自二零零七年十月十一日)出租其中國物業予本集團作為本集團代表辦事處的辦公物業及予一間共同控制實體作為員工宿舍。
- 本集團向/自本公司董事方傑華所控制的公司廊坊啟帆機電設備有限公司及啟帆機電有限公司買賣車輛零件及設備。
- 該金額代表向一間非全資附屬公司的一名個別少數股東支付的員工成本。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

39. NON-ADJUSTING POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date on 22 April 2008, the Group acquired the remaining 25% interest, representing 500,000 ordinary shares at nominal value of HK\$1 each, of a subsidiary, Yardway Enterprise Limited, from minority interest for a consideration of HK\$1.8 per share amounting to HK\$900,000. Upon completion of the transaction, Yardway Enterprise Limited becomes a wholly-owned subsidiary of the group. In the opinion of the directors, there was no material profit and loss effect on the acquisition.

40. COMPARATIVE FIGURES

As a result of adopting HKFRS 7, Financial instruments: Disclosures, and the amendments to HKAS 1, Presentation of financial statements; Capital disclosures, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details of these developments are disclosed in note 3.

41. ULTIMATE CONTROLLING PARTY

At 31 March 2008, the directors consider the ultimate controlling party of the group to be Happy City Holdings Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2008 and which have not been adopted in these financial statements.

The group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

39. 非調整結算日後事項

於結算日後在二零零八年四月二十二日，本集團向少數股東權益收購一家附屬公司啟帆精機有限公司餘下25%權益，相當於500,000股每股面值1港元之普通股，代價為每股1.8港元，合計900,000港元。該交易完成後，啟帆精機有限公司成為本集團之全資附屬公司。董事認為，收購概無任何重大溢利及虧損影響。

40. 比較數字

由於採用香港財務報告準則第7號金融工具：披露以及香港會計準則第1號之修訂財務報表之呈列：資本披露，本年度若干比較數字已作出調整，以符合披露的變動，並就二零零七年度首次披露的項目獨立顯示比較金額。該等發展之進一步詳情於附註3披露。

41. 最終控股方

於二零零八年三月三十一日，董事認為本集團的最終控股方為於英屬處女群島註冊成立的Happy City Holdings Limited。該實體並未作出可供公眾使用的財務報表。

42. 於截至二零零八年三月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響

截至刊發該等財務報表之日，香港會計師公會已頒佈多項於截至二零零八年三月三十一日止年度尚未生效且該等財務報表亦無採納之修訂、新準則及詮釋。

本集團正評估該等修訂、新準則及新詮釋預期將於首次應用期間所產生之影響。至今結論為採納上述修訂、新準則及新詮釋不大可能對本公司之經營業績及財務狀況產生重大影響。

Notes to the Financial Statements 財務報表附註

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

In addition, the following developments may result in new or amended disclosures in the financial statements:

42. 於截至二零零八年三月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

此外，以下發展可能會導致須於財務報表新增或修訂披露：

	Effective for accounting periods beginning on or after 自以下日期或之後 開始之會計期間生效
HKAS 1 (Revised), <i>Presentation of Financial Statements</i> 香港會計準則第1號(經修訂)，財務報表呈報	1 January 2009 二零零九年一月一日
HKAS 23 (Revised), <i>Borrowing Costs</i> 香港會計準則第23號(經修訂)，借貸成本	1 January 2009 二零零九年一月一日
HKAS 27 (Revised), <i>Consolidated and Separate Financial Statements</i> 香港會計準則第27號(經修訂)，綜合及獨立財務報表	1 July 2009 二零零九年七月一日
HKAS 32 and 1 (Amendments), <i>Puttable financial instruments and obligations arising on liquidation</i> 香港會計準則第32號及第1號(修訂本)，可沽售財務工具及清盤產生之責任	1 January 2009 二零零九年一月一日
HKFRS 2 (Amendment), <i>Share-based Payment – Vesting Conditions and Cancellations</i> 香港財務報告準則第2號(修訂本)，以股份支付－歸屬條件及註銷	1 January 2009 二零零九年一月一日
HKFRS 3 (Revised), <i>Business Combinations</i> 香港財務報告準則第3號(經修訂)，業務合併	1 July 2009 二零零九年七月一日
HKFRS 8, <i>Operating Segments</i> 香港財務報告準則第8號，營運分部	1 January 2009 二零零九年一月一日
HK(IFRIC)–Int 12, <i>Service Concession Arrangements</i> 香港(國際財務報告詮釋委員會)－詮釋第12號，服務特許權安排	1 January 2008 二零零八年一月一日
HK(IFRIC)–Int 13, <i>Customer Loyalty Programmes</i> 香港(國際財務報告詮釋委員會)－詮釋第13號，顧客長期支持計劃	1 July 2008 二零零八年七月一日
HK(IFRIC)–Int 14, <i>HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> 香港(國際財務報告詮釋委員會)－詮釋第14號，香港會計準則 第19號－一定額福利資產限額、最低資金規定及其相互關係	1 January 2008 二零零八年一月一日

Summary of Properties 物業概要

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

The following is a list of the group's properties at 31 March 2008.

以下為本集團於二零零八年三月三十一日之物業名單。

INVESTMENT PROPERTIES IN THE PRC

於中國之投資物業

Location 地址	Lease term 租賃年期	Purpose 用途	Gross area 建築面積 (sq.m.) (平方米)
(1) Rooms 1227 and 1228 on Level 12 of Block 1, Junefield Plaza Xuanwumenwaidajie East Xuanwu District Beijing The PRC 中國北京市東宣武區宣武門外大街莊勝廣場第一座12層1227至1228室	Medium 中期	Commercial 商業	194.32
(2) Room 6B on level 6 and Car Parking Spacing No. 138 on Basement Level Beijing Regent Court No. Yi 8 Jianguomenwaidajie Chaoyang District Beijing The PRC 中國北京市朝陽區建國門外大街乙8號麗晶苑6層6B室及地庫138號停車位	Long 長期	Residential 住宅	150.57

LEASEHOLD PROPERTIES IN HONG KONG

於香港之租賃物業

Location 地址	Lease term 租賃年期	Purpose 用途	Gross area 建築面積 (sq.m.) (平方米)
1. House F25 of Stage IV Marina Cove 380 Hiram's Highway Hebe Haven Sai Kung New Territories Hong Kong 香港新界西貢白沙灣西貢公路380號匡湖居4期F25屋	Medium 中期	Residential 住宅	2,064

Summary of Properties 物業概要

for the year ended 31 March 2008
截至二零零八年三月三十一日止年度

LEASEHOLD PROPERTIES IN THE PRC

於中國之租賃物業

Location 地址	Lease term 租賃年期	Purpose 用途	Gross area 建築面積 (sq.m.) (平方米)
(1) Room 5E on level 5 and Car Parking Spacing No. 137 on Basement Level Beijing Regent Court No. Yi 8 Jianguomenwaidajie Chaoyang District Beijing The PRC 中國北京市朝陽區建國門外大街乙8號麗晶苑 5層5E室及地庫137號停車位	Long 長期	Residential 住宅	150.57
(2) Flat A on Level 2 of Block D President Mansion No. 868 Hua Shan Road Shanghai The PRC 中國上海華山路868號總統公寓D座2A室	Long 長期	Residential 住宅	151.27
(3) Room 606 on Level 6, Loyalight Real Building No. 65 Haitian Road Huli District Xiamen City Fujian Province The PRC 中國福建省廈門市湖里區海天路65號鷺輝大廈606室	Long 長期	Residential 住宅	100.09
(4) Two parcels of land (Nos. 1-40 and 1-41) located at Phase 2 of Science and Technology Innovation Coast Zhuhai City Guangdong Province The PRC 中國廣東省珠海市科技創新海岸第2期兩幅 土地(第1-40號及1-41號)	Medium 中期	Industrial 工業	10,824.45
(5) A building and a building under construction located at Phase 2 of Science and Technology Innovation Coast Zhuhai City Guangdong Province The PRC 中國廣東省珠海市科技創新海岸第2期的樓宇及一幢 在建樓宇	Medium 中期	Industrial 工業	4,348.98

Five Year Financial Summary 五年財務概要

(Expressed in Hong Kong dollars)
(以港元列示)

		2008 二零零八年 \$'000 千港元	2007 二零零七年 \$'000 千港元	2006 二零零六年 \$'000 千港元	2005 二零零五年 \$'000 千港元	2004 二零零四年 \$'000 千元
RESULTS	業績					
Turnover	營業額	298,865	214,424	189,646	156,383	228,507
Profit/(loss) from operations	經營溢利/(虧損)	11,378	(953)	11,775	9,655	(4,185)
Finance costs	融資成本	(2,347)	(1,749)	(1,693)	(880)	(1,229)
Profit/(loss) before taxation	除稅前溢利/(虧損)	9,031	(2,702)	10,082	8,775	(5,414)
Taxation	稅項	(2,241)	99	(1,501)	(127)	1,148
Profit/(loss) for the year	本年度溢利/(虧損)	6,790	(2,603)	8,581	8,648	(4,266)
Attributable to:	應佔部份：					
– Equity shareholders of the company	– 本公司股權持有人	7,104	(2,735)	8,496	8,556	(4,355)
– Minority interests	– 少數股東權益	(314)	132	85	92	89
Profit/(loss) for the year	本年度溢利/(虧損)	6,790	(2,603)	8,581	8,648	(4,266)
ASSETS AND LIABILITIES	資產及負債					
Fixed assets	固定資產	55,498	62,391	49,133	49,283	36,254
Other non-current assets	其他非流動資產	237	237	–	1,410	3,496
Net current assets	流動資產淨值	72,592	51,670	67,405	61,694	59,751
Non-current liabilities	非流動負債	(6,639)	(7,707)	(8,141)	(9,785)	(9,875)
		121,688	106,591	108,397	102,602	89,626
Share capital	股本	28,825	28,085	28,000	28,000	28,000
Reserves	儲備	92,278	77,607	79,630	73,920	61,037
Total equity attributable to equity shareholders of the company	本公司股權持有人應佔之權益總額	121,103	105,692	107,630	101,920	89,037
Minority interests	少數股東權益	585	899	767	682	589
Total equity	權益總額	121,688	106,591	108,397	102,602	89,626
Earnings/(loss) per share	每股盈利/(虧損)					
Basic	基本	2.5 cents 仙	(1.0) cent 仙	3.0 cents 仙	3.1 cents 仙	(1.6) cents 仙
Diluted	攤薄	2.5 cents 仙	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用



YARDWAY GROUP LIMITED

啟帆集團有限公司

2008