



Tonic Industries Holdings Limited
東力實業控股有限公司

Stock Code 股份代號 : 0978

ANNUAL REPORT 2011 年報

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Dr. SO Shu Fai (*Chairman*)
(appointed as Executive Director on 11 December 2010 and appointed as Chairman on 31 December 2010)

Mr. MAK Bing Kau (appointed on 11 December 2010)

Mr. NG Wai Hung (appointed on 11 December 2010)

Mr. LAU Cheuk Lun (appointed on 11 December 2010)

Mr. LING Siu Man, Simon (resigned on 1 January 2011)

Mr. WONG Ki Cheung (resigned on 1 January 2011)

Ms. LI Fung Ching, Catherine (resigned on 1 January 2011)

Independent Non-executive Directors

Mr. PANG Hon Chung

Mr. CHENG Tsang Wai

Dr. CHUNG Hing Wah, Paul

REGISTERED OFFICE

P.O. Box 309 GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13/F., Guangdong Investment Tower
148 Connaught Road Central, Hong Kong

COMPANY SECRETARY

Mr. LAU Cheuk Lun (appointed on 11 December 2010)

AUDITOR

ANDA CPA Limited

AUDIT COMMITTEE

Mr. PANG Hon Chung (*Committee Chairman*)

Mr. CHENG Tsang Wai

Dr. CHUNG Hing Wah, Paul

REMUNERATION COMMITTEE

Mr. CHENG Tsang Wai (*Committee Chairman*)

Mr. PANG Hon Chung

Dr. SO Shu Fai (appointed on 11 December 2010)

Ms. LI Fung Ching, Catherine (resigned on 11 December 2010)

董事

執行董事

蘇樹輝博士(*主席*)
(於二零一零年十二月十一日獲委任為執行董事，並於二零一零年十二月三十一日獲委任為主席)

麥炳球先生(於二零一零年十二月十一日獲委任)

伍偉雄先生(於二零一零年十二月十一日獲委任)

劉卓麟先生(於二零一零年十二月十一日獲委任)

凌少文先生(於二零一一年一月一日辭任)

黃其昌先生(於二零一一年一月一日辭任)

李鳳貞女士(於二零一一年一月一日辭任)

獨立非執行董事

彭漢中先生

鄭曾偉先生

鍾慶華博士

註冊辦事處

P.O. Box 309 GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

總辦事處及主要營業地點

香港干諾道中148號
粵海投資大廈13樓

公司秘書

劉卓麟先生(於二零一零年十二月十一日獲委任)

核數師

安達會計師事務所有限公司

審核委員會

彭漢中先生(*委員會主席*)

鄭曾偉先生

鍾慶華博士

薪酬委員會

鄭曾偉先生(*委員會主席*)

彭漢中先生

蘇樹輝博士(於二零一零年十二月十一日獲委任)

李鳳貞女士(於二零一零年十二月十一日辭任)

CORPORATE INFORMATION

公司資料

EXECUTIVE COMMITTEE

Dr. SO Shu Fai (*Chairman*) (appointed on 11 December 2010)
Mr. MAK Bing Kau (appointed on 11 December 2010)
Mr. NG Wai Hung (appointed on 11 December 2010)
Mr. LAU Cheuk Lun (appointed on 11 December 2010)
Mr. LING Siu Man, Simon (resigned on 11 December 2010)
Mr. WONG Ki Cheung (resigned on 11 December 2010)
Ms. LI Fung Ching, Catherine (resigned on 11 December 2010)

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
Bank of Communications Co., Ltd. Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong

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

In Cayman Islands

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

WEBSITE

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

STOCK CODE

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執行委員會

蘇樹輝博士(*主席*)(於二零一零年十二月十一日獲委任)
麥炳球先生(於二零一零年十二月十一日獲委任)
伍偉雄先生(於二零一零年十二月十一日獲委任)
劉卓麟先生(於二零一零年十二月十一日獲委任)
凌少文先生(於二零一零年十二月十一日辭任)
黃其昌先生(於二零一零年十二月十一日辭任)
李鳳貞女士(於二零一零年十二月十一日辭任)

主要來往銀行

中信銀行股份有限公司
交通銀行股份有限公司，香港分行
渣打銀行(香港)有限公司

股份登記過戶處

於香港

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

於開曼群島

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

網址

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

股份代號

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CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board of Directors of Tonic Industries Holdings Limited ("the Company"), I am pleased to present to you the Company's annual report and financial statements for the financial year ended 31 March 2011 (the "Year").

CONDITIONS IN THE YEAR

The Year was a tumultuous one for the Company from the organizational viability standpoint. Management and staff have worked hard to overcome difficult operating conditions. They accomplished missions of several difficult tasks, including but not limited to production facility consolidation, cost rationalization in the remaining operations as well as preparations for the capital and group reorganization.

COMPLETION OF RESTRUCTURING AND CREDITOR SCHEME

As stated in various Company announcements made in 2010, the month of December 2010 marked the completion of the Group Reorganization, Capital Reorganization as well as the Creditor Scheme that was arranged and approved by courts in both Hong Kong and the Cayman Islands. This represented a remarkable time in turning the Company from a negative asset value of HKD423 million to a positive asset value of HKD59 million attributable to equity holders. This was made possible by a capital reconstruction plan executed in December 2010 which has a result of spinning off of various loss-making subsidiaries and significant debt elimination.

With the successful completion of the restructuring and the introduction of the new management team, the Board is confident that the Group would be restored to a healthier financial position by stabilizing existing operational sectors and to position itself in exploring into new business development opportunities as well.

本人謹代表東力實業控股有限公司(「本公司」)董事會，欣然提呈本公司截至二零一一年三月三十一日止財政年度(「本年度」)之年報及財務報表。

本年度狀況

從組織可行性角度來看，本年度對本公司而言是動盪的一年。管理層及各位員工竭盡所能克服經營困境。彼等完成多項艱巨工作，包括但不限於生產設施整合、餘下業務之成本合理化以及資本及集團重組之準備工作。

完成重組及債權人計劃

誠如本公司於二零一零年刊發之多份公佈所述，二零一零年十二月標誌集團重組及資本重組之完成，並獲香港及開曼群島法院安排及批准之債權人計劃隨着生效。此乃本公司由權益持有人應佔負數資產港幣423,000,000元扭轉為應佔正數資產價值港幣59,000,000元之關鍵時刻。資本重組計劃於二零一零年十二月實施，其分拆多間錄得虧損之附屬公司並消除重大債務，使本公司資產價值得以重返正數。

隨著重組圓滿完成並引入新管理團隊，董事會深信，通過穩定現有經營分部，本集團將恢復至較為穩健之財務狀況，並探索新業務發展契機。

CHAIRMAN'S STATEMENT

主席報告

BUSINESS STRATEGY AND PLAN

While the Group will focus on the domestic market and continue to develop high-end set top boxes, the Board will, from time to time, explore into new business initiatives that will bring added value to the Group. Further business opportunities are under thorough study, and once materialized, will represent business diversification that will mitigate risks associated with any stand alone business/product line. Announcement of such business opportunity will be made as soon as practicable.

FINAL DIVIDEND

The Board does not recommend payment of a final cash dividend in respect of the year ended 31 March 2011.

APPRECIATION

On behalf of the Board, I wish to thank the management and staff for their hard work in confronting and overcoming the difficulties the Group was facing during the Year. My thanks also go to our customers, business partners, bankers and the staff for their unfailing support during the Year and would appreciate your continued support in the future.

To our shareholders, I thank you for your continued support and in approving the major changes which have put the Company on more solid ground to face future challenges.

Dr. So Shu Fai

Chairman

Hong Kong, 28 June 2011

業務策略及計劃

本集團將專注於國內市場，繼續發展高端機頂盒，同時董事會將不時探索為本集團增值之新業務範疇。本集團正仔細研究其他業務機遇，一經實現，即會多元化發展業務，減低任何單一業務／生產線之風險。有關該等業務契機之公佈將於可行情況下盡快作出。

末期股息

董事會不建議派付截至二零一一年三月三十一日止年度之末期現金股息。

致謝

本人謹代表董事會衷心感謝管理層及各位員工於本年度努力工作共渡本集團面對之難關。本人亦對客戶、業務夥伴、銀行及員工於本年度之不懈支持深表謝意，並將感謝各位在日後繼續支持。

本人對各位股東一如既往的支持及批准重大變革表示感謝，該等變革已幫助本公司奠下更穩固基石，應對未來挑戰。

主席

蘇樹輝博士

香港，二零一一年六月二十八日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Dr. So Shu Fai, aged 60, joined the Company as an executive director and chairman of the Executive Committee on 11 December 2010 and was elected Chairman of the Company on 31 December 2010.

Dr. So is an executive director of SJM Holdings Limited (listed on the Stock Exchange) and is currently the Chairman of Shenzhen Super Perfect Optics Limited. He is an independent non-executive director of SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited) (listed on the Stock Exchange), a director of the Euronext Lisbon listed Estoril Sol, SGPS, S.A., and the chairman of the board of directors of MACAUPORT – Sociedade de Administracao de Portos, S.A.. Dr. So was an executive director of Shun Tak Holdings Limited (listed on the Stock Exchange) from 1991 to 2009.

Dr. So is a member of the 11th National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the Committee of Foreign Affairs of the National Committee of CPPCC, a consultant to the Committee for Liaison with Hong Kong, Macau, Taiwan and Overseas Chinese of the Beijing Municipal Committee of CPPCC, the honorary consul of the Republic of Portugal in the Hong Kong SAR, as well as a member of the Economic Development Council and of the Cultural Consultative Council of the Macau SAR Government.

Dr. So is the president of Clube Militar de Macau, a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research, as well as a committee member of the 8th China Federation of Literary and Art Circles.

He graduated with a Bachelor of Science degree from The University of Hong Kong in 1973, and received a doctoral degree in Management Studies from IMC/Southern Cross University in 2001.

執行董事

蘇樹輝博士，現年60歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會主席，並於二零一零年十二月三十一日獲選為本公司主席。

蘇博士為聯交所上市公司澳門博彩控股有限公司之執行董事，及深圳超多維光電子有限公司主席。彼為聯交所上市公司新工投資有限公司(前稱禹銘投資有限公司)獨立非執行董事、Euronext里斯本上市公司Estoril Sol, SGPS, S.A.董事，以及MACAUPORT-Sociedade de Administração de Portos, S.A.董事會主席。蘇博士由一九九一年至二零零九年期間出任聯交所上市公司信德集團有限公司之執行董事。

蘇博士為中國人民政治協商會議(「政協」)第十一屆全國委員會委員、全國政協外事委員會委員、北京市政協港澳台僑委員會顧問、葡萄牙共和國駐香港特區名譽領事，以及澳門特區政府經濟發展委員會成員及澳門特區政府文化諮詢委員會成員。

蘇博士為澳門陸軍俱樂部主席、香港大學教研發展基金董事局成員，以及第八屆中國文學藝術界聯合會全國委員會委員。

彼於一九七三年畢業於香港大學，獲授理學士學位，並於二零零一年獲IMC/Southern Cross University授予管理學博士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Mak Bing Kau, aged 61, joined the Company as an executive director on 11 December 2010 and is also a member of the Executive Committee of the Company.

He joined the Hongkong Electric Co., Ltd. ("HEC"), one of the two power companies in Hong Kong, in 1973 and had since held various key engineering positions in HEC, including Chief Engineer in technical services and Acting General Manager (Transmission & Distribution). He retired from HEC in late 2009 and has since been appointed as an honorary lecturer of the Electrical & Electronic Engineering Department of the University of Hong Kong.

Mr. Mak is a Chartered Engineer, a Fellow of the Institution of Electrical Engineers and also a Corporate Member of the Hong Kong Institute of Engineers. He is active in engineering and community services, including serving as the Chairman of the UK's Institution of Electrical Engineers (Hong Kong Branch), an adviser of the Electrical Engineering Department of the Hong Kong Polytechnic University as well as a member of the Electrical Safety Advisory Committee of the Government of the Hong Kong Special Administrative Region.

Mr. Mak graduated from the University of Hong Kong with a First Class Honours Bachelor of Science degree in Electrical Engineering in 1973, and subsequently obtained a Master of Science degree in Electrical Engineering from the same University.

麥炳球先生，現年61歲，於二零一零年十二月十一日加入本公司出任執行董事，亦為本公司執行委員會成員。

彼於一九七三年加入香港兩間電力公司其中之一的香港電燈集團有限公司(「港燈」)，自此在港燈曾出任多個工程要職，包括技術服務總工程師及輸配電署理總經理。彼於二零零九年底從港燈退休，之後獲委任為香港大學電機及電子工程系榮譽講師。

麥先生為特許工程師、電機工程師學會資深會員及香港工程師學會會員。彼活躍於工程界及社區服務，包括出任英國電機工程師學會香港分會會長、香港理工大學電機工程系顧問及香港特別行政區電氣安全諮詢委員會成員。

麥先生於一九七三年畢業於香港大學，獲電機工程理學士一級榮譽學位，其後更取得香港大學之電機工程理學碩士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Ng Wai Hung, aged 62, joined the Company as an executive director and a member of the Executive Committee on 11 December 2010.

Mr. Ng is a co-founder of SAE Magnetics (H.K.) Ltd. in 1980 which began from a manufacturer of recording heads for floppy disk drives, Mr. Ng transformed the company to now the largest independent manufacturer of state-of-the-art magnetic recording heads for hard disk drives (HDD). In Dongguan where SAE's manufacturing facility locates, Mr. Ng has established close working relationships with foreign investors and government officials of the city. Furthermore, Mr. Ng plays many active roles in community services in various institutions. For example, he founded the Hong Kong Critical Components Manufacturers Association (HKCCMA) in 1998, serves the business and professional communities including the Chairman of the Science and Technology Committee of the Asia Pacific Academy for Productivity and Innovation, the Board of Governors of the East-West Strategic Development Commission, and the council member of the Better Hong Kong Foundation.

Mr. Ng graduated from the Hong Kong Technical College in 1976, and received his MBA from the Asia International Open University in 1993.

Mr. Lau Cheuk Lun, aged 56, joined the Company as executive director and a member of the Executive Committee on 11 December 2010. He is also the Chief Financial Officer and Company Secretary of the Company.

Mr. Lau has worked in Toronto, Canada for CIBA Vision Canada Inc. for 16 years until 2005, the most recent post being Chief Financial Officer. In January 2006, Mr. Lau joined Bio Treat Technology Limited, a publicly listed company on Singapore Stock Exchange, as Chief Financial Officer, until June 2010.

Mr. Lau is a member of both Institute of Chartered Accountants of England and Wales as well as Hong Kong Institute of Certified Public Accountants. He is also a fellow of the Association of Chartered Certified Accountants of the United Kingdom.

伍偉雄先生，現年62歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會成員。

伍先生為香港新科實業有限公司之聯合創辦人，該公司於一九八零年創立，初期從事生產軟盤磁碟機讀寫磁頭。伍先生已將該公司轉型，現為最大規模之先進硬碟讀寫磁頭獨立生產商。香港新科在東莞設有生產設施，伍先生已與海外投資者及東莞市官員建立緊密工作關係。此外，伍先生亦積極參與多個機構之社區服務，包括於一九九八年創立香港關鍵性零部件製造業協會，服務商界及專業界別，包括出任亞太創新生產力學會科技事務委員會主席、國際發展策略局理事及「香港明天更好基金」理事。

伍先生於一九七六年畢業於香港工業專門學院，一九九三年獲亞洲(澳門)國際公開大學工商管理碩士學位。

劉卓麟先生，現年56歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會成員。彼亦為本公司財務總監兼本公司之公司秘書。

劉先生曾在加拿大多倫多工作，任職於加拿大視康(CIBA Vision Canada Inc.)達十六年，直至二零零五年為止，離職前之職位為財務總監。於二零零六年一月，劉先生加盟新加坡證券交易所上市公司Bio Treat Technology Limited，出任財務總監，直至二零一零年六月。

劉先生持有多個會計專業資格，彼為英格蘭及威爾士特許會計師公會及香港會計師公會會員，亦是英國特許公認會計師公會資深會員。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PANG Hon Chung, aged 60, was appointed an independent non-executive director of the Company on 3 September 1997.

A qualified professional accountant for many years, Mr. Pang has long and extensive experience in the areas of finance and business management in serving clients and international corporations. He is a director of Genetron Engineering Co., Limited.

Mr. Pang and is a member of both the Association of Chartered Certified Accountants of the UK and the Hong Kong Institute of Certified Public Accountants.

Mr. CHENG Tsang Wai, aged 55, was appointed an independent non-executive director on 27 September 2004.

Mr. Cheng has over 32 years' experience in the garment industry and is a director of Vicka Limited, a well-known sweater manufacturing company.

Apart from that, he is also the director of retail shops in Hong Kong and China; "Man Wah Watch" & "CuteTime Watch", and chain retail stores of an international kid's brand "Give Me Five".

Dr. CHUNG Hing Wah, Paul, aged 65, joined the Company as an independent non-executive director on 26 June 2006.

Dr. Chung has over 38 years' experiences with public service in administration, operation, discipline, nursing and management. He also has over 19 years' experiences in training and development and management consultancy with various local and PRC Mainland providers and corporations. Apart from serving as consultant or principal consultant of many major local and PRC training providers, he is also the director and principal consultant of PC Consultancy Ltd.

Dr. Chung holds a Doctor of Business Administration degree.

獨立非執行董事

彭漢中先生，現年60歲，於一九九七年九月三日獲委任為本公司獨立非執行董事。

彭先生作為合資格專業會計師多年，於為客戶及國際公司提供服務方面具有資深豐富財務及商業管理經驗。彼為Genetron Engineering Co., Limited董事。

彭先生為英國特許公認會計師公會及香港會計師公會會員。

鄭曾偉先生，現年55歲，於二零零四年九月二十七日獲委任為獨立非執行董事。

鄭先生於成衣業積逾32年經驗，為知名毛衣生產公司敏興有限公司之董事。

此外，彼亦為「文華表行」及「喜樂時表行」中港兩地多家零售店之董事以及國際兒童品牌「Give Me Five」連鎖零售店之董事。

鍾慶華博士，現年65歲，於二零零六年六月二十六日加入本公司出任獨立非執行董事。

鍾博士擁有逾38年公共服務之行政、營運、紀律、護理及管理經驗。彼亦擁有超過19年於不同本地及中國內地機構及公司之培訓及發展及管理諮詢範疇之經驗。除擔任眾多主要本地及中國培訓機構之顧問或首席顧問之外，彼亦為PC Consultancy Ltd.之董事及首席顧問。

鍾博士擁有工商管理博士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

SENIOR MANAGEMENT

Mr. LING Siu Man, Simon, aged 61, founder of the Company in 1976, was appointed an executive director of the Company on 30 May 1997 assuming the positions of the Chairman and Managing Director of the Company until his resignation from the Board on 31 December 2010.

With his over 33 years' experience in the electronics industry in Hong Kong he is now a director of certain major subsidiaries of the Company responsible for the design, manufacturing and marketing and sales of the electronic products of the Group.

Mr. WONG Ki Cheung, aged 61, first joined the Company in 1976 and was appointed an executive director on 30 May 1997 until his resignation from the Board on 31 December 2010.

With his over 33 years' experience in the electronics component industry, he is now a director of certain major subsidiaries of the Company and responsible for the purchasing and materials control functions.

Mr CHONG Chi Wah, aged 49, joined the Group in January 2010 and is director of certain major subsidiaries of the Group responsible for the trading business and treasury functions of these subsidiaries.

Mr. Chong has over 25 years' experience in auditing, accounting, finance and business management. He is currently an independent non-executive director of Sijia Group Company Limited and China Solar Energy Holdings Limited, both of which are listed on the Main Board of the Stock Exchange.

Mr. Chong graduated from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) with a Diploma in Management Studies in 1991 and graduated from University of San Francisco of the United States with a Master degree in Business Administration in 1997. He is a Fellow member of The Association of Chartered Certified Accountants of the UK, Associate member of Hong Kong Institute of Certified Public Accountants, Associate member of The Institute of Chartered Secretaries and Administrators of the UK Associate member of The Hong Kong Institute of Companies Secretaries.

高級管理層

凌少文先生，現年61歲，於一九七六年創辦本集團，於一九九七年五月三十日獲委任為本公司執行董事，擔任本公司主席兼董事總經理職位，直至彼於二零一零年十二月三十一日辭任董事會。

憑藉彼擁有逾33年香港電子業經驗，彼現為本公司若干主要附屬公司之董事，負責本集團電子產品之設計、製造及市場推廣與銷售工作。

黃其昌先生，現年61歲，先於一九七六年加入本集團，並於一九九七年五月三十日獲委任為執行董事，直至彼於二零一零年十二月三十一日辭任董事會。

憑藉彼擁有逾33年電子配件業經驗，彼現為本公司若干主要附屬公司之董事，負責採購及物料控制工作。

莊志華先生，現年49歲，於二零一零年一月加入本集團，為本集團若干主要附屬公司之董事，負責該等附屬公司之貿易業務及庫務工作。

莊先生於核數、會計、財務及業務管理積逾25年經驗。彼現為思嘉集團有限公司及華基光電能源控股有限公司之獨立非執行董事，該兩間公司均於聯交所主板上市。

莊先生於一九九一年畢業於香港理工學院（現稱香港理工大學），獲授管理學文憑，並於一九九七年畢業於美國三藩市大學，獲授工商管理碩士學位。彼為英國特許公認會計師公會資深會員，亦為香港會計師公會會員、英國特許秘書及行政人員公會會員以及香港公司秘書學會會員。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

THE GROUP REORGANISATION, CAPITAL REORGANISATION AND CREDITOR SCHEME

The Year under review was one which the Group took bold steps to overcome the many difficulties the Group was facing since the global financial crisis in 2008. During the year under review, the Company successfully completed the major exercises of the group reorganization, capital reorganization and a creditor scheme. The details are as contained in the circular dated 28 June 2010 to shareholders of the Company.

The initiatives received (i) shareholders' approval at the extraordinary general meeting of the Company held on 26 July 2010, (ii) creditors' approval on 28 October 2010 and, finally (iii) the approval of the Grand Court of the Cayman Islands and Hight Court of the Hong Kong Special Administration Region on 16 November 2010 and 26 November 2010, respectively.

With the completion of the group reorganization, capital reorganization and the creditor scheme in early December 2010 and also the introduction of a new executive board since 1 January 2011, the Company is in a better position to strengthen its operations, to enhance cost-effectiveness, and to explore new business initiative in the foreseeable future.

BUSINESS DEVELOPMENT

The Directors are optimistic that the present policy of strengthening the Group's domestic sales while, at the same time, exploring new business initiatives, particularly those with potential synergy, for widening the Group's horizon, will progressively improve the turnover and profitability of the Group in the foreseeable future.

集團重組、股本重組及債權人計劃

於回顧年內，本集團決意克服自二零零八年全球金融危機以來一直面對之重重困難。於回顧年內，本公司成功完成集團重組、股本重組及債權人計劃等大規模行動。詳情載於日期為二零一零年六月二十八日致本公司股東之通函內。

此等舉措獲(i)股東於本公司在二零一零年七月二十六日舉行之股東特別大會批准(ii)債權人於二零一零年十月二十八日批准，及最終(iii)開曼群島大法院及香港特別行政區高等法院分別於二零一零年十一月十六日及二零一零年十一月二十六日批准。

隨著集團重組、股本重組及債權人計劃於二零一零年十二月初完成並自二零一一年一月一日引入新執行董事會，本公司已準備就緒加強其業務，藉此提升成本效益及於可見未來探索新業務方案。

業務發展

董事樂觀認為，增強本集團國內銷售、同時探索新業務方案(尤其是具有潛在協同效應者)以拓闊本集團業務範圍之現時政策，將於可見未來顯著改善本集團之營業額並提升盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2011, the net assets value of the Group attributable to equity holders of the Company amounted to approximately HK\$58.51 million (2010: net liabilities of approximately HK\$423.31 million). This represents a remarkable turnaround from a year ago and has been the direct result of the capital reorganization completed in December 2010 after the elimination of various loss-making subsidiaries as well as significant debts.

As at 31 March 2011, the trade receivable balance was approximately HK\$9.80 million (2010: HK\$0.83 million (after impairment)). All trade receivables were on 30 to 90 days credit terms with strict control to minimize credit risks.

As at 31 March 2011, the Group's aggregated borrowings were approximately HK\$268.52 million (2010: HK\$408.71 million). The big drop has resulted mainly from the elimination of debts through the creditor scheme.

The Group is not exposed to material currency fluctuation as the Group's RMB receipt from domestic sales could offset RMB expenses in the PRC.

EMPLOYEE RELATIONS

As of 31 March 2011, the Group had 320 (2010:195) employees in Hong Kong SAR and on the mainland of the People Republic of China.

Upon implementation of the group reorganization and business restructuring, the Group's total expenses on salaries, wages and allowances for the year ended 31 March 2011 downscaled to approximately HK\$16.80 million (2010: HK\$80.6 million). Employees' remuneration packages are generally structured by reference to market conditions, individual qualifications and performance. In addition to basic salary payment, other benefits offered to employees include contributions to mandatory provident fund, group medical insurance and group personal accident insurance.

流動資金及財務資源

於二零一一年三月三十一日，本公司權益持有人應佔本集團的資產淨值約為港幣58,510,000元(二零一零年：負債淨額約港幣423,310,000元)，較一年前明顯有所改善，乃取消多間產生虧損之附屬公司以及重大債務後，股本重組於二零一零年十二月完成之直接所得結果。

於二零一一年三月三十一日，貿易應收賬款結餘約為港幣9,800,000元(二零一零年：港幣830,000元(減值後))。所有貿易應收賬款均嚴控於30至90日之信貸期內，以盡量減少信貸風險。

於二零一一年三月三十一日，本集團之借貸合共約港幣268,520,000元(二零一零年：港幣408,710,000元)。借貸大幅減少主要由於透過債權人計劃消除債務所致。

由於本集團自國內銷售收取之人民幣足以抵銷其於中國之人民幣開支，故本集團所面對外匯波動風險不大。

僱員關係

於二零一一年三月三十一日，本集團在香港特別行政區及中華人民共和國內地僱用約320名員工(二零一零年：195名)。

進行集團重組及業務重組後，本集團截至二零一一年三月三十一日止年度之薪金、工資及津貼開支總額縮減至約港幣16,800,000元(二零一零年：港幣80,600,000元)。僱員薪酬條件一般參照市場情況、僱員資歷及表現而釐定。除基本薪金外，向僱員提供的其他福利包括強制性公積金供款、團體醫療保險及團體個人意外保險。

REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are engaged in the manufacture, processing and trading of consumer electronic products and related components. There were no significant changes in the nature of the Group's principal activities during the year.

Details of the principal activities of the Company's subsidiaries are set out in note 20 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2011 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 40 to 126.

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits. At 31 March 2011, the Company did not have reserves available for cash distribution and/or distribution in specie.

董事會謹此提呈截至二零一一年三月三十一日止年度董事會報告及本集團的經審核財務報表。

主要業務

本公司主要業務為投資控股。附屬公司從事製造、加工及買賣消費電子產品與相關零件。年內，本集團主要業務性質並無重大變動。

本公司各附屬公司的主要業務詳情載於財務報表附註20。

業績及股息

本集團截至二零一一年三月三十一日止年度的溢利及本公司與本集團於該日的財務狀況載於第40至126頁財務報表內。

董事不建議就本年度派發任何股息。

儲備

本公司及本集團於年內的儲備變動詳情分別載於財務報表附註34及綜合權益變動表。

可供分派儲備

董事認為，本公司可供分派的儲備指股份溢價賬、繳入盈餘及保留溢利。於二零一一年三月三十一日，本公司並無可作現金及／或實物分派用途的儲備。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers in aggregate accounted for approximately 89% of the total revenue of the Group and the largest customer accounted for approximately 27% of the total revenue of the Group.

Purchases from the Group's five largest suppliers in aggregate and the largest supplier accounted for approximately 44% and 22% of the total purchases for the year, respectively.

As far as the directors are aware, neither the directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had any interest in the five largest customers or suppliers.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 127. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements during the year in the Company's share capital and the share options are respectively set out in notes 32 and 33 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions 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 existing shareholders.

主要客戶及供應商

年內，五大客戶合共佔本集團總收入約89%，而最大客戶則佔本集團總收入約27%。

本集團向五大供應商合共的採購額及向最大供應商採購的採購額佔本年度總採購額分別約為44%及22%。

據董事知悉，各董事、彼等之聯繫人士（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））以及據董事所知擁有本公司已發行股本5%以上的任何股東，概無於五大客戶或供應商中擁有任何權益。

五年財務資料概要

本集團於過往五個財政年度的已刊發業績及資產與負債概要（摘錄自經審核財務報表，並在適當情況下重列／重新分類）載於第127頁。該概要並非經審核財務報表的任何部分。

物業、廠房及設備

本集團於年內的物業、廠房及設備變動詳情載於財務報表附註19。

股本及購股權

本公司之股本及購股權於年內之變動詳情分別載於財務報表附註32及33。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例發售新股的優先購買權規定。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

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

Executive directors:

Dr. SO Shu Fai (*Chairman*) (appointed on 11 December 2010)
Mr. MAK Bing Kau (appointed on 11 December 2010)
Mr. NG Wai Hung (appointed on 11 December 2010)
Mr. LAU Cheuk Lun (appointed on 11 December 2010)
Mr. LING Siu Man, SIMON (resigned on 1 January 2011)
Mr. Wong Ki Cheung (resigned on 1 January 2011)
Ms. Li Fung Ching, Catherine (resigned on 1 January 2011)

Independent non-executive directors:

Pang Hon Chung
Cheng Tsang Wai
Chung Hing Wah, Paul

In accordance with Article 116 of the Company's articles of association, Mr. Pang Hon Chung will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company.

The terms of office of the non-executive directors are for periods of three years except for Mr. Pang Hon Chung who is not appointed on a fixed term. However, all non-executive directors will retire by rotation at least once every three years in accordance with the Company's articles of association.

The Company has received annual confirmations of independence from Mr. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul, and considers them to be independent as at the date of this report.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Group are set out on pages 6 to 9 of the annual report.

董事

於本年度及截至本報告日期止，本公司之董事如下：

執行董事：

蘇樹輝博士(主席)(於二零一零年十二月十一日獲委任)
麥炳球先生(於二零一零年十二月十一日獲委任)
伍偉雄先生(於二零一零年十二月十一日獲委任)
劉卓麟先生(於二零一零年十二月十一日獲委任)
凌少文先生(於二零一一年一月一日辭任)
黃其昌先生(於二零一一年一月一日辭任)
李鳳貞女士(於二零一一年一月一日辭任)

獨立非執行董事：

彭漢中
鄭曾偉
鍾慶華

根據本公司的組織章程細則第116條，彭漢中先生將於本公司應屆股東週年大會上退任，惟彼符合重選資格，並願意重選連任。

除彭漢中先生並無獲委任固定任期外，非執行董事之任期為三年。但根據本公司的組織章程細則，全部非執行董事至少每三年輪值告退一次。

於本報告日期，本公司已接獲由彭漢中先生、鄭曾偉先生及鍾慶華博士發出的年度獨立身分確認書，且認為彼等為獨立人士。

董事履歷

本集團董事之履歷詳情載於本年報第6至9頁。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS SERVICE CONTRACTS

Executive directors Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheung and Ms. Li Fung Ching, Catherine were appointed to the board with a service contract. These service contracts had expired on 1 January 2011 upon their resignation as directors of the Company.

Save as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, its holding company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

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

董事服務合約

執行董事凌少文先生、黃其昌先生及李鳳貞女士均簽立服務合約並獲委任為董事會成員。隨彼等辭任本公司董事，該等服務合約已於二零一一年一月一日屆滿。

除上文披露者外，擬於應屆股東週年大會重選連任的董事，概無與本公司、其控股公司或其任何附屬公司訂有本集團如不作出賠償(法定賠償除外)則不能於一年內終止的服務合約。

董事酬金

董事袍金須經股東於股東大會上批准。其他酬金則由本公司董事會參考董事之經驗、職務、責任、市況及集團業績而釐訂。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2011, the interests of the directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
So Shu Fai 蘇樹輝	Through controlled corporation (Note) 由受控制公司持有(附註)	739,164,898	69.18
Cheng Tsang Wai 鄭曾偉	Personal 個人	162,600	0.02
		739,327,498	69.20

Note: These shares were held by Skill China Limited, which is controlled by Fortune Alliance Limited and in turn controlled by Jointprofit Limited, which is beneficially wholly owned by Dr. So Shu Fai, an executive director of the Company. Skill China Limited, Fortune Alliance Limited and Jointprofit Limited are companies incorporated in the British Virgin Islands.

Save as disclosed above, as at 31 March 2011, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事擁有之股份及相關股份權益及淡倉

於二零一一年三月三十一日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本中，擁有須記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

本公司普通股之好倉：

附註：該等股份由華能有限公司持有，華能有限公司由聯發集團有限公司控制，繼而被由本公司執行董事蘇樹輝博士實益全資擁有之合益有限公司控制。華能有限公司、聯發集團有限公司及合益有限公司均為於英屬處女群島註冊成立之公司。

除上文披露者外，於二零一一年三月三十一日，各董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條規定所記錄，或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' Interests and Short Positions in Shares and Underlying Shares" above and in the section "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

董事購買股份或債券之權利

除上文「董事擁有之股份及相關股份權益及淡倉」一節及下文「購股權計劃」一節所披露外，於年內任何時間概無向任何董事或彼等各自之配偶或未成年子女賦予權力，以藉購入本公司股份或債券而獲益，且彼等亦無行使任何該等權力；而本公司、其控股公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法人團體獲得該等權利。

董事於重大合約中之權益

除財務報表附註38披露者外，於年終或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有任何董事於當中擁有直接或間接重大權益的重大合約。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

The Company operated a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme expired on 16 October 2007 and all remaining options granted but not exercised lapsed on 9 April 2010. As at 31 March 2011, there was no share options outstanding. Further details of the Scheme are disclosed in note 33 to the financial statements.

The following table discloses the movements in number of the Company's share options during the year:

購股權計劃

本公司設有購股權計劃(「該計劃」)，旨在向曾對本集團業務成就作出貢獻的合資格參與人士提供獎勵及獎賞。該計劃已於二零零七年十月十六日屆滿，而全部餘下之已授出但尚未行使之購股權已於二零一零年四月九日失效。於二零一一年三月三十一日，概無購股權尚未行使。該計劃之進一步詳情載於財務報表附註33。

下表披露本公司購股權數目於年內的變動：

		At 1 April 2010 於二零一零年 四月一日	Lapsed during the year 年內失效	At 31 March 2011 於二零一一年 三月三十一日	Date of grant ⁽¹⁾ 授出日期 ⁽¹⁾	Exercise period 行使期	Exercise price per share ⁽²⁾ 每股行使價 ⁽²⁾ HK\$ 港幣	Closing price of share immediately before date of grant 緊接授出 日期前 之股份收市價 HK\$ 港幣
Directors	董事							
Ling Siu Man, Simon (Note 3)	凌少文(附註3)	15,000,000	15,000,000	-	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日 至 二零一零年四月九日	0.467	0.870
Wong Ki Cheung (Note 3)	黃其昌(附註3)	2,715,000	2,715,000	-	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日 至 二零一零年四月九日	0.467	0.870
Li Fung Ching, Catherine (Note 3)	李鳳貞(附註3)	2,715,000	2,715,000	-	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日 至 二零一零年四月九日	0.467	0.870
		20,430,000	(20,430,000)	-				

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃(續)

		At 1 April 2010 於二零一零年 四月一日	Lapsed during the year 年內失效	At 31 March 2011 於二零一一年 三月三十一日	Date of grant ⁽¹⁾ 授出日期 ⁽¹⁾	Exercise period 行使期	Exercise price per share ⁽²⁾ 每股行使價 ⁽²⁾ HK\$ 港幣	Closing price of share immediately before date of grant 緊接授出 日期前 之股份收市價 HK\$ 港幣
Other employees	其他僱員							
In aggregate	合計	5,025,000	(5,025,000)	-	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日 至 二零一零年四月九日	0.467	0.870
		25,455,000	(25,455,000)	-				

Notes:

附註：

- | | |
|---|---|
| <p>(1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.</p> <p>(2) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.</p> <p>(3) Resigned as Directors from 1 January 2011, but remain as employees of the Group.</p> | <p>(1) 購股權之歸屬期間由授出日期起至行使期開始為止。</p> <p>(2) 購股權之行使價可因應供股或發行紅股，或本公司股本其他類似變動作出調整。</p> <p>(3) 於二零一一年一月一日辭任董事，但仍為本集團僱員。</p> |
|---|---|

REPORT OF THE DIRECTORS

董事會報告

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

At 31 March 2011, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份之權益

於二零一一年三月三十一日，根據本公司按證券及期貨條例第336條須存置之權益登記冊所記錄，擁有本公司已發行股本5%或以上權益之人士如下：

Name 名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目		Percentage of the Company's issued share capital 佔本公司已發行 股本百分比
		Long position 好倉	Short position 淡倉	
Skill China Limited (note 1) 華能有限公司(附註1)	Beneficially interested 實益權益	739,164,898	–	69.18%
Fortune Alliance Group Limited (note 1) 聯發集團有限公司(附註1)	Through controlled corporation 由受控制公司持有	739,164,898	–	69.18%
Jointprofit Limited (note 1) 合益有限公司(附註1)	Through controlled corporation 由受控制公司持有	739,164,898	–	69.18%
Ling Siu Man(凌少文) (note 2)(附註2)	Through controlled corporation 由受控制公司持有	61,849,247	–	5.79%
Success Forever Limited (note 2)(附註2)	Beneficially interested 實益權益	61,849,247	–	5.79%

Notes:

- These shares were held by Skill China Limited, which is controlled by Fortune Alliance Limited and in turn controlled by Jointprofit Limited, which is beneficially wholly owned by Dr. So Shu Fai, an executive director of the Company. Skill China Limited, Fortune Alliance Limited and Jointprofit Limited are companies incorporated in the British Virgin Islands.
- The entire issued share capital of Success Forever Limited, a company incorporated in the British Virgin Islands, is beneficially wholly owned by Mr. Ling Siu Man, a director of the Company up to 31 December 2010.

附註：

- 該等股份由華能有限公司持有，華能有限公司由聯發集團有限公司控制，繼而被由本公司執行董事蘇樹輝博士實益全資擁有之合益有限公司控制。華能有限公司、聯發集團有限公司及合益有限公司均為於英屬處女群島註冊成立之公司。
- 於英屬處女群島註冊成立之公司Success Forever Limited全部已發行股本由本公司董事(直至二零一零年十二月三十一日止)凌少文先生實益全資擁有。

Save as disclosed above, as at 31 March 2011, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文披露者外，於二零一一年三月三十一日，並無任何人士(其權益已載於上文「董事擁有之股份及相關股份權益及淡倉」一節之本公司董事除外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS

Details of the connected transactions of the Company are set out in note 38 to the financial statements.

關連交易

本公司的關連交易詳情載於財務報表附註38。

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

During the Year, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

買賣或贖回本公司上市證券

於本年度，本公司或其任何附屬公司並無買賣或贖回本公司任何上市證券。

SUFFICIENCY OF PUBLIC FLOAT

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

足夠公眾持股量

根據本公司可公開取得的資料所示，以及就董事所知，於本報告日期(即本報告日期前之最後實際可行日期)，本公司全部已發行股本最少25%由公眾人士持有。

AUDITOR

Ernst & Young resigned as auditor of the Company with effect from 4 June 2010. ANDA CPA Limited has been appointed as auditor of the Company to fill the casual vacancy following the resignation of Ernst & Young. The audited consolidated financial statements of the Company for the year ended 31 March 2009 and 2010 were audited by Ernst & Young and ANDA CPA Limited, respectively. Save as disclosed herein, there has been no other changes of auditor of the Company in any of the preceding three years.

核數師

安永會計師事務所辭任本公司核數師自二零一零年六月四日起生效。安達會計師事務所已獲委任為本公司核數師以填補因安永會計師事務所辭任而產生之臨時空缺。截至二零零九年及二零一零年三月三十一日止年度之本公司經審核綜合財務報表分別經由安永會計師事務所及安達會計師事務所審核。除上文披露者外，前三年內本公司核數師並無其他變更。

A resolution for the reappointment of the Company's retiring auditor, ANDA CPA Limited, will be proposed at the forthcoming annual general meeting.

應屆股東週年大會上將提呈一項決議案，續聘本公司將退任之核數師安達會計師事務所有限公司。

ON BEHALF OF THE BOARD

代表董事會

Dr. So Shu Fai
Chairman

主席
蘇樹輝博士

Hong Kong
28 June 2011

香港
二零一一年六月二十八日

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

The board of directors of the Company (the “Board”) considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders of the Group and enhancing the performance of the Group. The Board is committed to ensure a high standard of corporate governance. The Company’s corporate governance practices are based on the principles (the “Principles”), code provisions (the “Code Provisions”) as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has adopted its own “Corporate Governance Handbook” since 2007 which provide written guidelines on the corporate governance policy of the Company for the reference and observation by its Directors and senior management. The Corporate Governance Handbook covers the requirements, sometimes exceeding, as in the Code Provisions as in the Listing Rules.

The Company has applied the Principles and the Code Provisions and complied with the CG Code during the financial year ended 31 March 2011, with a deviation from the Code Provisions (i) A.2.1 requiring roles of the chairman and chief executive officer be in different individuals, (ii) Code Provision A.4.1 requiring non-executive directors be appointed on specific terms and subject to re-election and (ii) A.4.2 in respect of retirement of all directors to retire by rotation at least once every three years.

Set out below are the status and details of compliance by the Company of the CG Code for the year ended 31 March 2011.

遵從企業管治守則

本公司董事會(「董事會」)深信，本公司達致良好企業管治，乃保障本集團股東利益及提升集團表現之核心元素。董事會在確保高水準企業管治方面不遺餘力。本公司的企業管治常規，是以香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)內之原則(「原則」)及守則條文(「守則條文」)作為基礎。

本公司自二零零七年起採納其本身之「企業管治指南」，當中載列本公司企業管治政策之書面指引，以供董事及高級管理人員參考及遵守。企業管治指南涵蓋上市規則內守則條文之規定，甚或較守則條文涵蓋更嚴格規定。

截至二零一一年三月三十一日止財政年度內，除了偏離守則條文(i)第A.2.1條，規定主席及行政總裁之角色須由不同人士擔任；及(ii)第A.4.1條，規定非執行董事須按特定任期獲委任，且須重選連任；及(iii)第A.4.2條，有關全體董事須最少每三年輪值退任一次外，本公司一直應用原則及守則條文，並一直遵守企業管治守則。

下文載述本公司截至二零一一年三月三十一日止年度遵行企業管治守則的狀況及詳情。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Board composition

The Board has in its composition a balance of skills and experience appropriate for the requirements of the business of the Company. The Board has a balanced mix Directors, i.e. four executive Directors, and three independent non-executive Directors.

During the year the Company underwent a major corporate reorganization, as detailed in the circular dated 28 June 2010 to shareholders of the Company, which received shareholders' approval at the extra-ordinary general meeting of the Company held on 26 July 2010. As a result, inter alia, four new executive directors were appointed to the Board on 11 December 2010 and three executive directors resigned from the Board on 1 January 2011. Dr. So Shu Fai took over board leadership as Chairman of the Company and the Group on 31 December 2010.

The list of all Directors and changes thereto during the year is set out under "Corporate Information" on page 2 and the biographies of the Directors are set out on pages 6 to 9 of this report.

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

Save for the fact that Dr. So Shu Fai and Mr. Ling Siu Man, Simon were substantial shareholders of the Company, as defined in section 336 of the Securities and Futures Ordinance, to the best of knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationship with each other, senior management or substantial shareholders or controlling shareholders of the Company.

During the year ended 31 March 2011, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors.

董事會

董事會組織構成

董事會的成員組合已平衡本公司業務所需適當技能與經驗。董事會擁有均衡董事組合，即四位執行董事及三位獨立非執行董事。

本公司於年內曾進行集團重組，詳情載於致本公司股東日期為二零一零年六月二十八日之通函內，該集團重組獲股東於本公司在二零一零年七月二十六日舉行之股東特別大會批准。因此，(其中包括)四名新任執行董事於二零一零年十二月十一日獲委加入董事會，另有三名執行董事於二零一一年一月一日辭任董事會。蘇樹輝博士於二零一零年十二月三十一日接任董事會領導位置，出任本公司及本集團主席。

全體董事名單及於年內之變動載於第2頁「公司資料」，而董事履歷則載於本報告第6至9頁。

董事名單(按分類表示)亦於本公司根據上市規則不時刊發之所有公司通訊內披露。

除蘇樹輝博士及凌少文先生為本公司主要股東(定義見證券及期貨條例第336條)，據董事所深知，董事會各成員之間、與本公司高級管理層或主要股東或控股股東概無任何財務、業務、家庭或其他重大／相關關係。

於截至二零一一年三月三十一日止年度，董事會一直遵從上市規則有關委任最少三位獨立非執行董事的規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board composition (continued)

The Company has received the 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.

Board meetings

Board meetings were held at least four times during the year roughly on a quarterly basis. Dates for regular Board meetings are scheduled in advance to provide sufficient time for the Directors to prepare for. Special Board meetings were held when necessary. Notice of meeting will be given at least fourteen days before the meeting. Directors are consulted for matters to be included in the agenda and Board papers will be served at least three days before the meeting. Details of the attendance of the Board meetings held for the year ended 31 March 2011 and up to the date of the publication of this report were as follows:

董事會(續)

董事會組織構成(續)

本公司已接獲各獨立非執行董事根據上市規則提交有關其獨立地位之年度確認書。本公司認為，按照上市規則所載之獨立地位指引，各獨立非執行董事均具獨立地位。

董事會會議

董事會於年內最少舉行四次會議，約每季舉行一次。董事會例會之舉行日期預先編訂，讓董事們有充足時間為開會作準備。特別董事會會議在必要時舉行。開會通告最低限度於舉行會議前十四天發出。就會議議程所包括的事項，會徵詢董事的意見；並最低限度於舉行會議前三天送出會議稿件。有關截至二零一一年三月三十一日止年度及截至本報告刊發日期為止已舉行的董事會會議的出席情況如下：

Name of Director	董事姓名	Attendance/ Number of Meetings 出席／會議數目
<i>Executive Directors</i>		
Dr. So Shu Fai (Chairman, appointed 11 December 2010)	蘇樹輝博士 (主席，於二零一零年十二月十一日獲委任)	1/1
Mr. Mak Bing Kau (appointed 11 December 2010)	麥炳球先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Ng Wai Hung (appointed 11 December 2010)	伍偉雄先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Lau Cheuk Lun (appointed 11 December 2010)	劉卓麟先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Ling Siu Man, Simon (resigned 1 January 2011)	凌少文先生 (於二零一一年一月一日辭任)	5/5
Mr. Wong Ki Cheung (resigned 1 January 2011)	黃其昌先生 (於二零一一年一月一日辭任)	5/5
Ms. Li Fung Ching, Catherine (resigned 1 January 2011)	李鳳貞女士 (於二零一一年一月一日辭任)	5/5
<i>Independent Non-executive Directors</i>		
Mr. Pang Hon Chung	彭漢中先生	3/6
Mr. Cheng Tsang Wai	鄭曾偉先生	1/6
Dr. Chung Hing Wah, Paul	鍾慶華博士	3/6

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board meetings (continued)

Minutes of the Board, the Audit Committee, the Remuneration Committee and the Executive Committee have been recorded in sufficient details the matters considered in the meetings. All the minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice given by any Director.

Directors can access to the advice and services of the company secretary to ensure that Board procedures, and all applicable rules and regulations are properly followed.

In addition, all Directors are regularly updated on corporate governance and regulatory matters. There is a guideline for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate director and officer liability insurance cover in respect of legal action against its Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman is responsible for managing the affairs of the Board and the chief executive officer is responsible for managing the day-to-day operation of the Company's business.

Code Provision A.2.1 stipulates that the roles of Chairman and chief executive officer should be separated and not be performed by the same individual.

Mr. Ling Siu Man, Simon occupied both positions during the Year until 31 December 2010, starting from which date Dr. So Shu Fai assumed the position and role of the chairman while the position of chief executive officer has been left vacant pending future arrangements. For the case with Mr. Ling, the Board considers it appropriate and necessary in the best interests of the Company and the Group that board and executive management leadership be in the same individual to be able to react quickly in response to market environment and technology changes, in particular, those the Group has been facing these recent years.

董事會(續)

董事會會議(續)

董事會、審核委員會、薪酬委員會及執行委員會的會議記錄，對會議內曾考慮的事項均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理通知，均可於任何合理時間內查閱該等會議記錄。

各董事均可獲取公司秘書的意見及服務，以確保董事會程序、所有適用規則及法規均已妥為遵守。

此外，本公司會定期向所有董事匯報有關企業管治及監管事務的最新情況。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見（有關費用由本公司承擔）。本公司亦已購買適當的董事及高層人員責任保險，以減低董事面對法律訴訟而承受的風險。

主席和行政總裁

主席負起管理董事會事務的責任，而行政總裁則負責管理本公司業務的日常運作。

守則條文第A.2.1條訂明，主席和行政總裁之職能應有所區分及不應由同一人擔任。

直至二零一零年十二月三十一日止，凌少文先生於年內身兼主席及行政總裁二職，自該日起，蘇樹輝博士肩負主席之職位及職責，而行政總裁職位則一直空置，有待日後另作安排。就凌先生之情況而言，董事會認為，由同一人兼任董事會及行政管理領導職位，能迅速回應本集團最近幾年來一直面對之市場環境及技術轉變，符合本公司及本集團最佳利益，故屬適當及必需。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Group has a formal, considerate and transparent procedure for the appointment of new Directors to the Board. The Group has adopted a nomination procedure and the Board, based on the criteria established, evaluate and select candidates for the directorships. The Board reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations regarding any proposed changes. The Directors identify suitable individuals qualified to become Board members and make recommendation on relevant matters relating to the appointment or re-appointment of Directors if necessary, in particular, candidates who can add value to the management through their contribution in the relevant strategic business areas and whose appointments will result in the constitution of a strong and diverse Board. The meeting of the Board regarding the nomination of Directors shall be held at least once a year or when necessary. In case any Director resigns from the Board, reasons for the resignation will be disclosed in the announcement.

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. Except for Mr. Pang Hon Chung, an independent non-executive Director of the Company, all other non-executive directors have a specific term of appointment. Under the Company's Articles of Association, all non-executive Directors are required to retire by rotation at annual general meeting at least one every three years. The Directors believe this requirement under the Company's articles of association accomplishes the same objective as a specific term.

In accordance with the Company's articles of association, any new Director appointed to fill a casual vacancy or as an addition to the Board should be subject to re-election by shareholders at the first general meeting after appointment. The four Directors appointed on 11 December 2010 are subject to retirement and re-election at the forthcoming annual general meeting.

董事的提名、委任、重選及免職

本集團訂有一套正規、經深思熟慮而高透明度的委任新董事程序，本集團已經採納一套提名程序，而董事會根據已確立的準則範疇評審及挑選擔任董事的人選。董事會定期檢討董事會的架構、人數及組織(包括技能、知識和經驗)，並提出有關建議改動的推薦意見。董事物色合資格作為董事會成員的適當人士，必要時亦會就委任或重新委任董事的相關事宜作出推薦意見，尤其當某些人選可於有關策略業務範疇作出貢獻，從而替管理層增值，及有助董事會之組織強化及多元化。關於董事提名的董事會會議應最低限度每年舉行一次，或當有需要時舉行。倘若有任何董事辭去董事會之職務，須於公佈內披露辭職理由。

守則條文第A.4.1條訂明，非執行董事應有固定任期，並須接受重選。除彭漢中先生(彼為本公司獨立非執行董事)外，所有其他非執行董事均具特定任期。根據本公司組織章程細則之規定，全部非執行董事均須最少每三年於股東週年大會上輪值退任一次。董事會相信，本公司組織章程細則項下此規定達到特定任期之相同目標。

依據本公司的組織章程細則，任何獲委任填補臨時空缺或作為董事會新增成員之新董事，須於獲委任後的首個股東大會接受股東重選。四名於二零一零年十二月十一日獲委任之董事須於應屆股東週年大會退任及重選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS (continued)

Code Provision A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, the Company's Articles of Association, on the other hand, is inconsistent with the this Code Provision in that it provides that one-third of the Directors for the time being (save for the Chairman or managing director or joint managing director), or if their number is not three nor a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at least once every three years and being eligible, offer themselves for re-election at annual general meetings. The Board considers that the chairman and managing director should not subject to this retirement by rotation to ensure continuity of leadership and stability for growth of the Company.

RESPONSIBILITIES OF DIRECTORS

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

In addition, the Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated.

A Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. Non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors.

The functions of non-executive Directors have included the functions as specified in the Code Provision A.5.2(a) to (d) of the CG Code.

董事的提名、委任、重選及免職(續)

守則條文第A.4.2條規定，每名董事，包括具有特定任期的董事，應少每三年輪值退任一次。惟另一方面，本公司的組織章程細則與此守則條文存在差異，差異在於後者規定當時三分之一董事（主席或董事總經理或聯席董事總經理除外）或最接近但不少於三分之一董事（倘董事會人數並非三或三的倍數）須最低限度每三年輪值告退一次，在符合資格下，可於股東週年大會上重選連任。董事會認為，主席及董事總經理毋須受輪值退任規限，以確保領導層延續性及本公司的穩定成長。

董事的責任

董事會的首要焦點為本集團整體策略發展。董事會亦監督本集團業務營運的財務表現及內部監控。

此外，董事會亦負責通過以負責任及具效益的方式引導並監督本公司事務，推動本集團的成就。每一位董事均有責任本著公司最佳利益下真誠行事。董事知悉，彼等須就本公司事務管理、控制及運作之方式，向本集團所有股東負起集體和個別責任。

董事須時常肩負彼作為董事的責任，並應經常對本集團的行為、業務活動及發展加以留意。非執行董事與執行董事具同等謹慎、熟練及受信責任。

非執行董事的職能包括企業管治守則的守則條文第A.5.2(a)至(d)條所列明的職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The Board has delegated functions that are necessary and incidental to carry out the decision of the Board or to facilitate the day-to-day operation of the Group in the ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

SUPPLY OF AND ACCESS TO INFORMATION

Directors are provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting.

Management is regularly reminded by the company secretary that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

董事會的授權

董事會已授予高級管理層及不同單位的部門主管所需及相關的職能，以實行董事會的決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理層處理的主要企業事務包括：執行董事會採納的業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及條例。

資料的提供和查閱

本公司將會及時向各董事提供適當資料，所提供資料的形式和質素，足以讓各董事作出知情決定並履行本公司董事的職務及責任。

就董事會之定期會議而言，及在實際可行之所有其他情況下，所有董事均會及時並最低限度在董事會會議擬定開會之日期三天前，獲送呈會議議程及附帶的全部董事會文件。

公司秘書經常提醒管理層，彼等有責任及時向董事會及其委員會提供足夠資料，讓彼等作出知情決定。所提供的資料必須為完整可靠。董事會及各位董事在必要時均可個別及獨立地向本公司高級管理層作出查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

TRAINING FOR DIRECTORS

Every newly appointed Director of the Group will receive an information package from the company secretary on his appointment. The package will include guidelines and information such as:

- (a) Guidelines on Directors' Duties;
- (b) Brief notes and guidelines on Code on Corporate Governance Practices;
- (c) The Group's code of conduct regarding the securities transactions by the Directors;
- (d) Brief notes and guidelines on Model Code for Securities Transactions by Directors of the Company;
- (e) The Company's Code of Conduct for Securities Transactions by Directors of the Company;
- (f) A copy of the Corporate Governance Report; and
- (g) A copy of the Company's Corporate Governance Handbook.

The senior management and the company secretary will subsequently conduct such briefing as is necessary to ensure that the Director has a proper understanding of the operations and business of the Group, and the Director is aware of his obligation under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements.

DIRECTOR' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company has confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2011.

董事培訓

每一位新委任的本集團董事在獲委任時均會收到由公司秘書發放的資料封套，該資料封套包括指引及資料如下：

- (a) 董事職責指引；
- (b) 關於企業管治常規守則的淺釋及指引；
- (c) 本集團有關董事進行證券交易的行事守則；
- (d) 本公司關於董事進行證券交易的標準守則的淺釋及指引；
- (e) 本公司有關本公司董事進行證券交易的行事守則；
- (f) 企業管治報告複印本；及
- (g) 本公司企業管治指南複印本。

隨後，本公司高級管理層及公司秘書在有需要時會舉行簡報會，確保董事對本集團營運及業務有正確了解，及董事知悉其在成文法及普通法、上市規則、適用法律規定及其他監管規定下的責任。

董事證券交易

本集團已採納有關董事進行證券交易的行事守則，其條款之嚴謹程度不遜於上市規則附錄10內所載標準守則所規定的標準。經向全體董事作出特定查詢後，本公司已確認，所有董事於截至二零一一年三月三十一日止整個年度均一直遵守標準守則所載之規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION OF DIRECTORS

Prior to 1 January 2011 during the Year, executive directors Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheong and Ms. Li Fung Ching, Catherine were on director's service agreement with the Company which set out the relevant terms for remuneration and other benefits. Their remuneration and benefits were determined with reference to the job responsibilities, market conditions and the performance of the Company. These three executive directors resigned from the Board with effect from 1 January 2011.

On 11 December 2011, Dr. So Shu Fai, Mr. Mak Bing Kau, Mr. Ng Wai Hung and Mr. Lau Cheuk Lun were appointed executive directors of the Company. No service agreement has been signed with the executive directors. Their respective remuneration has been determined with reference to their experience, job responsibilities, market conditions and the performance of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board has been set up with written terms of reference which are published on the website of the Company. A majority of the members of the Remuneration Committee are independent non-executive Directors. This committee is authorized by the Board and makes recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. Details of the attendance of the meeting for the year ended 31 March 2011 and up to the date of this report were as follows:

Members of the Remuneration Committee	薪酬委員會成員	Attendance/ Number of Meeting 出席／會議數目
Mr. Cheng Tsang Wai (<i>Chairman</i>)	鄭曾偉先生(主席)	1/1
Mr. Pang Hon Chung	彭漢中先生	1/1
Dr. So Shu Fai (appointed 11 December 2010)	蘇樹輝博士 (於二零一零年十二月十一日獲委任)	1/1
Ms. Li Fung Ching, Catherine (resigned 11 December 2010)	李鳳貞女士 (於二零一零年十二月十一日辭任)	0/0

董事薪酬

於本年度二零一一年一月一日前，執行董事凌少文先生、黃其昌先生及李鳳貞女士均與本公司訂有董事服務協議，當中載列有關薪酬及其他福利之相關條款。彼等之酬金及福利乃參考職責、市況及本公司的表現後釐定。此三名執行董事已辭任董事會，自二零一一年一月一日起生效。

於二零一一年十二月十一日，蘇樹輝博士、麥炳球先生、伍偉雄先生及劉卓麟先生獲委任為本公司執行董事。本公司並無與執行董事簽訂任何服務協議。彼等各自的薪酬已參考彼等之經驗、職責、市況及本公司的表現後釐定。

薪酬委員會

董事會的薪酬委員會已制定書面職權範圍，並已於本公司網站刊載。薪酬委員會的大多數成員均為獨立非執行董事。該委員會由董事會授權，並就所有本公司董事及高級管理層薪酬政策及結構事宜向董事會提出推薦意見。截至二零一一年三月三十一日止年度及截至本報告日期為止的會議出席詳情如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (continued)

There is a formal and transparent procedure for setting policy and procedure for fixing the remuneration packages of all Directors and senior management. The Group will gather and summarize information relating to remuneration policy and other remuneration related matters. The Remuneration Committee will meet at least once a year and consider the above information and make recommendation to the Board and have access to professional advice if necessary.

FINANCIAL REPORTING

The Board is responsible to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospect in the annual and interim reports. Other price-sensitive information and financial disclosures required under the Listing Rules and other statutory requirements will be timely disclosed and reported.

The Directors acknowledge their responsibility for keeping proper accounting records and preparing accounts which give a true and fair view for the year ended 31 March 2011.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 37 to 39.

INTERNAL CONTROL

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

薪酬委員會(續)

本集團就釐定所有董事及高級管理層薪酬組合的政策和步驟，已制訂正規及高透明度的程序。本集團會收集並總結有關薪酬政策及其他薪酬相關事宜的資料。薪酬委員會最低限度每年開會一次，並考慮上述資料及向董事會提出推薦意見，在需要時亦可諮詢專業顧問。

財務申報

董事會負責在年報和中期報告呈列一份平衡、清晰而全面的本集團業績、狀況及前景評估。上市規則及其他法定規則要求公開的其他股價敏感資料及財務披露事項，均會及時披露及報告。

董事知悉彼等對保存適當會計記錄及編製真實公平反映截至二零一一年三月三十一日止年度的賬目承擔責任。

本公司外聘核數師就其對財務報表的申報責任的聲明，載於第37至39頁的「獨立核數師報告」。

內部監控

董事會須負責確保本集團保持健全而有效的內部監控，以維護股東的投資及本集團的資產。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL *(continued)*

The management is responsible for the Group's system of internal controls and the Board is responsible for reviewing its effectiveness of the Group's system of internal control and its subsidiaries at least annually. The function of reviewing its effectiveness of the Group's system of internal control is delegated to Audit Committee by the Board. The system will cover all material controls, including financial, operational and compliance controls and risk management functions. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has regularly engaged independent accountancy firm to conduct evaluation on the effectiveness of the internal control system of the Group and, in particular, certain key operating cycles were reviewed for the year ended 31 March 2011. Based on the report on the findings which include recommendations for further improvement, the Audit Committee is satisfied that the Group has operated an effective internal control system during the year under review.

內部監控(續)

管理層須負責本集團的內部監控制度，而董事會負責最低限度每年檢討本集團及其附屬公司內部監控制度的效能。董事會已將檢討本集團內部監控制度效能的職能，委託審核委員會執行。該制度涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。內部監控制度乃為管理而非消除未能達致業務目標的風險而設計，並僅可就避免出現重大錯誤陳述或虧損提供合理而非絕對的保證。

董事會定期委聘獨立會計師行評估本集團內部監控制度之成效，尤其是於截至二零一一年三月三十一日止年度對主要營運周期進行檢討。根據載有有關進一步改善之推薦意見之報告結果，審核委員會信納本集團於回顧年度已推行有效之內部監控制度。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Audit Committee of the Board has been set up with written terms of reference which are published on the website of the Company. The Audit Committee comprises three independent non-executive Directors. Mr. Pang Hon Chung, chairman of the Audit Committee has the appropriate professional qualification and experience in financial matters as required by the Listing Rules. This committee is authorised by the Board and responsible for reviewing the financial reports, internal controls principles and for maintaining an appropriate relationship with the Company's auditors. Details of the attendance of the Audit Committee meetings held during the year ended 31 March 2011 and up to the date of this report were as follows:

Members of the Audit Committee	審核委員會成員	Attendance/ Number of Meeting 出席／會議數目
Mr. Pang Hon Chung (<i>Chairman</i>)	彭漢中先生(主席)	3/3
Mr. Cheng Tsang Wai	鄭曾偉先生	2/3
Dr. Chung Hing Wah, Paul	鍾慶華博士	3/3

The Audit Committee met with the external auditor during the year to discuss any areas of concern during the audits. The Audit Committee reviewed the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditor.

The Company's annual results for the year ended 31 March 2011 have been reviewed by the Audit Committee.

審核委員會

董事會的審核委員會已制定書面職權範圍，並已於本公司網站刊載。審核委員會由三名獨立非執行董事組成。審核委員會主席彭漢中先生於財務事項方面具備上市規則所規定之合適專業資格及經驗。該委員會由董事會授權，負責審閱財務報告、內部監控原則及與本公司核數師維持適當關係。截至二零一一年三月三十一日止年度及截至本報告日期舉行之審核委員會會議之出席記錄詳情如下：

年內，審核委員會與外聘核數師會晤，討論審核過程中任何有關範疇。審核委員會於中期及年度報告提呈董事會前已進行審閱。審核委員會不僅專注於會計政策及慣例變動之影響，亦會遵守會計準則、上市規則及法律規定。

審核委員會就本公司外聘核數師之甄選、委任、辭任或罷免與董事會並無持不同意見。

本公司截至二零一一年三月三十一日止年度之年度業績已由審核委員會審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The remunerations in respect of statutory audit and other professional services for the year ended 31 March 2011 provided by the Company's auditor, ANDA CPA Limited, are as follows:

核數師酬金

截至二零一一年三月三十一日止年度，本公司核數師安達會計師事務所提供之法定審核服務及其他專業服務酬金如下：

		(HK\$'000) (港幣千元)
Statutory audit services	法定審核服務	559
Other professional services:	其他專業服務：	
– as reporting accountant for reorganisation circular	– 作為重組通函之申報會計師	1,100
– reviews on circular and announcement	– 審閱通函及公佈	115
– tax compliance advisory services	– 稅務合規顧問服務	11
Total	總計	1,785

EXECUTIVE COMMITTEE

The Executive Committee of the Board has been set up with written terms of reference which are published on the website of the Company. The Executive Committee was formed with all Executive Directors as members. This committee is authorized by the Board and is responsible for monitoring the execution of strategic plans and day-to-day operations of the business units and making decision on matters relating to the management and operations.

The Executive Committee regulates its meetings as they are needed. During the year ended 31 March 2011, because of the frequent meetings of the Directors, formal meetings of the Committees were not held other than the one comprising the four new executive directors.

執行委員會

董事會的執行委員會已制定書面職權範圍，並已於本公司網站刊載。執行委員會所有成員均為執行董事。該委員會由董事會授權，並負責監控策略性計劃之執行及各業務單位之日常運作，以及就有關管理及經營之事項作出決定。

執行委員會於需要時調整會議次數。於截至二零一一年三月三十一日止年度，由於董事會會議頻密，除一次由四名新任執行董事出席之會議外，該委員會並無舉行正式會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXECUTIVE COMMITTEE (continued)

Details of the attendance of the Executive Committee meetings held during the year ended 31 March 2011 and up to the date of this report were as follows:

執行委員會(續)

截至二零一一年三月三十一日止年度及截至本報告日期舉行之執行委員會會議之出席記錄詳情如下：

Members of the Executive Committee	執行委員會成員	Attendance/ Number of Meetings 出席／會議數目
Dr. So Shu Fai (Chairman, appointed 11 December 2010)	蘇樹輝博士(主席， 於二零一零年十二月十一日獲委任)	1/1
Mr. Mak Bing Kau (appointed 11 December 2010)	麥炳球先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Ng Wai Hung (appointed 11 December 2010)	伍偉雄先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Lau Cheuk Lun (appointed 11 December 2010)	劉卓麟先生 (於二零一零年十二月十一日獲委任)	1/1
Mr. Ling Siu Man, Simon (resigned 11 December 2010)	凌少文先生 (於二零一零年十二月十一日辭任)	0/0
Mr. Wong Ki Cheung (resigned 11 December 2010)	黃其昌先生 (於二零一零年十二月十一日辭任)	0/0
Ms. Li Fung Ching, Catherine (resigned 11 December 2010)	李鳳貞女士 (於二零一零年十二月十一日辭任)	0/0

SECURITIES TRANSACTION BY THE RELEVANT EMPLOYEES

Under the Code Provision A.5.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Group and its securities. Having made specific enquiry to all relevant employees, the Company confirms that all relevant employees have complied with the written guidelines regarding securities transactions for the year.

有關僱員進行證券交易

根據企業管治守則之守則條文第A.5.4條，董事會已就僱員進行本公司證券交易以書面制定不遜於標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能掌握與本集團及其證券有關之未公佈股價敏感資料。經對全體有關僱員進行特定查詢後，本公司確認，全體有關僱員於年內一直遵守有關證券交易之書面指引。

CORPORATE COMMUNICATION

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will be included in the circular to shareholders dispatched together with this report.

企業通訊

本集團應於上市規則所載時限前按時公佈其年度業績及中期業績。就各個別事項於股東週年大會上將提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以股數投票表決之程序將納入於連同本報告寄發予股東之通函內。

The Group has also maintained a website of <http://www.tonic.com.hk> which enables shareholders of the Company, investors and the general public to access to the information of the Group on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

本集團亦設立<http://www.tonic.com.hk>網站，致使本公司股東、投資者及公眾人士可按時獲得本集團資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF TONIC INDUSTRIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tonic Industries Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 126, which comprise the consolidated and Company statements of financial position as at 31 March 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company (the "Directors") are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

致：東力實業控股有限公司列位股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核載於第40至126頁之東力實業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。此綜合財務報表包括二零一一年三月三十一日之綜合及公司財務狀況表，及截至該日止年度之綜合收益表、綜合全面收益表、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解釋資料。

董事就綜合財務報表須承擔之責任

貴公司之董事(「董事」)須負責根據香港會計師公會(「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披露規定，編製及真實而公平地呈列綜合財務報表，及負責董事認為編製綜合財務報表必須的有關內部監控，以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起)。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅為全體股東報告，並不可作其他目的。我們並不就本報告之內容對任何其他人士負責或承擔責任。我們已按照香港會計師公會頒佈之香港核數準則進行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核，從而獲得合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料之審核證據。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司內部控制之有效性發表意見。審核亦包括評價董事所採用會計政策之合適性及作出會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核證據充足且適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2011, and of the Group's results 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.

EMPHASIS OF MATTER – GOING CONCERN BASIS

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates the Group's current liabilities exceeded its current assets by approximately HK\$71,287,000 as at 31 March 2011. As further detailed in note 2 to the consolidated financial statements, the Group has identified measures to improve its financial position and certain of which have been implemented. The Group's ability to continue as a going concern is dependent on the successful implementation of these measures.

ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 28 June 2011

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團及 貴公司於二零一一年三月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並已按照香港公司條例之披露規定妥善編製。

強調事項－持續經營基準

在無保留意見之情況下，我們謹請 閣下垂注綜合財務報表附註2，當中表示 貴集團於二零一一年三月三十一日之流動負債超出其流動資產約港幣71,287,000元。誠如綜合財務報表附註2進一步詳述， 貴集團已確立措施以改善其財務狀況，並已執行其中若干措施。 貴集團繼續經營之能力視乎該等措施是否能成功推行。

安達會計師事務所有限公司

執業會計師

施連燈

執業證書號碼P03614

香港，二零一一年六月二十八日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

			2011	2010
			二零一一年	二零一零年
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Turnover	營業額	8	77,394	486,237
Cost of sales	銷售成本		(75,007)	(522,321)
Gross profit/(loss)	毛利/(虧損)		2,387	(36,084)
Other income	其他收入	9	4,590	5,675
Selling and distribution expenses	銷售及分銷支出		(897)	(1,430)
Administrative expenses	行政支出		(40,315)	(100,420)
Gains on equity investments at fair value through profit or loss	按公平值計入損益之股本投資之收益		-	1,094
Provision for impairment of assets	資產減值撥備		(2,281)	(224,832)
Provision against inventories	存貨撥備		(2,516)	(270,945)
Loss on auctions of sequestered inventories	拍賣被扣押存貨之虧損		-	(156,000)
Gain on deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬之收益	10	243,503	-
Gain on debt restructuring	債務重組之收益	11	217,108	-
Profit/(loss) from operations	經營溢利/(虧損)		421,579	(782,942)
Finance costs	融資成本	12	(33,135)	(22,454)
Profit/(loss) before tax	除稅前溢利/(虧損)		388,444	(805,396)
Income tax	所得稅	13	-	14,982
Profit/(loss) for the year attributable to equity holders of the Company	本公司權益持有人應佔本年度溢利/(虧損)	14	388,444	(790,414)
Earnings/(loss) per share	每股盈利/(虧損)	17		
Basic (HK cents per share)	基本(每股港仙)		93	(747)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

		2011	2010
		二零一一年	二零一零年
	Notes	HK\$'000	HK\$'000
	附註	港幣千元	港幣千元
Profit/(loss) for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度溢利/(虧損)	388,444	(790,414)
Translation differences of foreign operations	境外業務之匯兌差額	992	283
Translation differences reclassified to profit or loss upon deconsolidation of scheme subsidiaries	取消計劃附屬公司 綜合入賬後重新分類 至損益之匯兌差額	(18,931)	-
Surplus/(deficit) on property revaluation	物業重估盈餘/(虧絀)	35,561	(27,384)
Deferred tax on property revaluation:	物業重估之遞延稅項：		
– (Surplus)/deficit on revaluation	– 重估(盈餘)/虧絀	(8,890)	6,901
– Release on disposal	– 出售時解除	-	624
Other comprehensive income/(loss) for the year, net of tax	本年度其他全面收入/ (虧損)，扣除稅項	8,732	(19,576)
Total comprehensive income/(loss) for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度全面收入/ (虧損)總額	397,176	(809,990)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2011

於二零一一年三月三十一日

			At 31 March 2011	At 31 March 2010	At 1 April 2009
			於二零一一年 三月三十一日	於二零一零年 三月三十一日	於二零零九年 四月一日
	Notes 附註		HK\$'000 港幣千元	HK\$'000 港幣千元 (restated) (重列)	HK\$'000 港幣千元 (restated) (重列)
Non-current assets		非流動資產			
Property, plant and equipment	19	物業、廠房及設備	227,411	400,807	703,300
Intangible assets		無形資產	–	–	10,345
Deposits for acquisition of items of property, plant and equipment		購買物業、廠房及設備項目按金	–	–	53
			227,411	400,807	713,698
Current assets		流動資產			
Inventories	21	存貨	7,172	1,466	353,832
Accounts receivables	22	應收賬款	9,801	831	68,495
Factored accounts receivables		應收保付代理賬款	–	–	53,394
Prepayments, deposits and other receivables	23	預付款項、按金及其他應收款項	2,054	935	16,418
Equity investments at fair value through profit or loss		按公平值計入損益之股本投資	–	–	2,592
Derivative financial instruments		衍生金融工具	–	–	382
Due from a scheme subsidiary	24	應收一家計劃附屬公司款項	122,055	–	–
Current tax assets		即期稅項資產	–	1,919	–
Cash and bank balances	25	現金及銀行結存	8,927	30,176	36,758
			150,009	35,327	531,871
Current liabilities		流動負債			
Accounts payables	26	應付賬款	2,245	319,210	342,022
Accruals and other payables	27	應計負債及其他應付款項	31,038	82,249	43,548
Borrowings	28	借貸	186,755	408,707	330,746
Finance lease payables	29	應付融資租賃	–	3,387	6,681
Due to directors	24	應付董事款項	1,000	629	–
Current tax liabilities		即期稅項負債	258	13,785	21,265
			221,296	827,967	744,262
Net current liabilities		流動負債淨額	(71,287)	(792,640)	(212,391)
Total assets less current liabilities		資產總值減流動負債	156,124	(391,833)	501,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2011
於二零一一年三月三十一日

			At 31 March 2011 於二零一一年 三月三十一日	At 31 March 2010 於二零一零年 三月三十一日	At 1 April 2009 於二零零九年 四月一日
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current liabilities	非流動負債				
Borrowings	借貸	28	81,765	–	61,144
Deferred tax liabilities	遞延稅項負債	31	15,844	31,477	53,483
			97,609	31,477	114,627
NET ASSETS/(LIABILITIES)	資產淨值/(負債淨額)		58,515	(423,310)	386,680
Capital and reserves	資本及儲備				
Share capital	股本	32	10,685	105,789	105,789
Reserves	儲備	34(a)	47,830	(529,099)	280,891
TOTAL EQUITY	權益總額		58,515	(423,310)	386,680

Approved by the Board of Directors on 28 June 2011

經董事會於二零一一年六月二十八日批准

Dr. So Shu Fai
蘇樹輝博士
Director
董事

Lau Cheuk Lun
劉卓麟
Director
董事

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 March 2011

於二零一一年三月三十一日

			2011	2010
		Notes	二零一一年	二零一零年
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current assets	非流動負債			
Investments in subsidiaries	於附屬公司之投資	20	10	–
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		100	–
			100	–
Current liabilities	流動負債			
Accruals and other payables	應計負債及其他應付款項		1,516	579
Financial guarantee liabilities	財務擔保負債	30	–	157,795
Due to subsidiaries	應付附屬公司款項	20	4,572	411
			6,088	158,785
Net current liabilities	流動負債淨額		(5,988)	(158,785)
NET LIABILITIES	負債淨額		(5,978)	(158,785)
Capital and reserves	資本及儲備			
Share capital	股本	32	10,685	105,789
Reserves	儲備	34(b)	(16,663)	(264,574)
TOTAL EQUITY	權益總額		(5,978)	(158,785)

Approved by the Board of Directors on 28 June 2011

經董事會於二零一一年六月二十八日批准

Dr. So Shu Fai
蘇樹輝博士
Director
董事

Lau Cheuk Lun
劉卓麟
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔						
		Share capital	Share premium account	Contributed reserve	Property revaluation reserve	Foreign currency translation reserve	Retained profits/ losses (accumulated)	Total
		股本	股份溢價賬	繳入儲備	物業重估儲備	外幣換算儲備	保留溢利/ (累積虧損)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2009	於二零零九年四月一日	105,789	71,388	280	97,711	7,180	104,332	386,680
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(19,859)	283	(790,414)	(809,990)
Reclassification upon disposal of properties	出售物業後重新分類	-	-	-	(3,784)	-	3,784	-
At 31 March 2010 and 1 April 2010	於二零一零年三月三十一日 及二零一零年四月一日	105,789	71,388	280	74,068	7,463	(682,298)	(423,310)
Total comprehensive income for the year	年內全面收入總額	-	-	-	26,671	(17,939)	388,444	397,176
Reclassification upon deconsolidation of subsidiaries	取消附屬公司綜合入賬後 重新分類	-	-	-	(57,316)	-	57,316	-
Capital reorganisation:	資本重組:							
- capital reduction	- 資本削減	(104,731)	-	104,731	-	-	-	-
- issue of shares	- 發行股份	9,627	75,022	-	-	-	-	84,649
- share premium cancellation	- 註銷股份溢價	-	(71,388)	71,388	-	-	-	-
- set-off accumulated losses against contributed reserve	- 累積虧損抵銷繳入儲備	-	-	(176,399)	-	-	176,399	-
At 31 March 2011	於二零一一年三月三十一日	10,685	75,022	-	43,423	(10,476)	(60,139)	58,515

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		2011	2010
		二零一一年	二零一零年
	Notes	HK\$'000	HK\$'000
	附註	港幣千元	港幣千元
Cash flows from operating activities	經營業務之現金流量		
Profit/(loss) before tax:	除稅前溢利/(虧損)：	388,444	(805,396)
Adjustments for:	經下列各項調整：		
Finance costs	融資成本	33,135	22,454
Bank interest income	銀行利息收入	(5)	(71)
Dividend income from listed investment	上市投資之股息收入	-	(167)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	-	43,083
Gains on equity investment at fair value through profit or loss, net	按公平值計入損益之股本投資收益淨額	-	(1,094)
Gains on derivative financial instruments, net	衍生金融工具收益淨值	-	(464)
Depreciation	折舊	17,886	41,216
Provision against inventories	存貨撥備	2,516	270,945
Loss on auctions of sequestered inventories	拍賣被扣押存貨之虧損	-	156,000
Amortisation of software development costs and trademarks	軟件開發成本及商標攤銷	-	55
Amortisation of deferred development costs	遞延開發成本攤銷	-	5,577
Provision for impairment of assets	資產減值撥備	2,281	224,832
Gain on deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬之收益	10 (243,503)	-
Gain on debt restructuring	債務重組之收益	11 (217,108)	-
Operating loss before working capital changes	營運資金變動前之經營虧損	(16,354)	(43,030)
Change in inventories	存貨變動	(8,222)	(74,579)
Change in accounts receivables	應收賬款變動	(8,970)	34,954
Change in factored accounts receivable	應收保付代理賬款變動	-	33,703
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收變動	(1,434)	4,684
Change in accounts payables	應付賬款變動	384	(21,966)
Change in accruals and other payables	應計負債及其他應付變動	(15,211)	38,699
Cash used in operations	經營業務耗用之現金	(49,807)	(27,535)
Interest received	已收利息	5	71
Interest paid	已付利息	(11,252)	(22,337)
Interest element on finance lease rental payment	融資租賃租金利息部分	(111)	(117)
Hong Kong profits tax paid	已付香港利得稅	-	(8,611)
Overseas taxes paid	已付海外稅項	(75)	(298)
Net cash used in operating activities	經營業務耗用之現金淨額	(61,240)	(58,827)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		2011	2010
		二零一一年	二零一零年
	Notes	HK\$'000	HK\$'000
	附註	港幣千元	港幣千元
Cash flows from investing activities	投資活動之現金流量		
Dividends received from listed investment	已收上市投資股息	-	167
Net cash inflow on deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司 綜合入賬之現金流量淨額	10 7,968	-
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(2,081)	(23,687)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及 設備項目所得款項	-	57,791
Proceeds from disposal of an equity investment at fair value through profit or loss	出售按公平值計入損益之 股本投資所得款項	-	3,686
Net cash generated from investing activities	投資活動產生之現金淨額	5,887	37,957
Cash flows from financing activities	融資活動之現金流量		
Net cash inflow on debt restructuring	債務重組產生之淨現金流入	11 18,574	-
Decrease in trust receipt loans	信託收據貸款減少	-	(3,708)
New bank and other borrowings	新借銀行及其他借貸	9,480	81,091
Loans from the ultimate holding company	來自最終控股公司之貸款	24,700	-
Repayment of bank and other borrowings	償還銀行及其他借貸	-	(63,175)
Capital element of finance lease rental payment	融資租賃租金本金部分	-	(3,294)
Advances from directors	董事墊款	371	629
Net cash generated from financing activities	融資活動產生之現金淨額	53,125	11,543
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(2,228)	(9,327)
Cash and cash equivalents at beginning of year	年初現金及等同現金項目	16,998	26,143
Effect of changes in foreign exchange rate	匯率變動影響	(5,843)	182
Cash and cash equivalents at end of year	年終現金及等同現金項目	8,927	16,998
Analysis of cash and cash equivalents	現金及等同現金項目分析		
Cash and bank balances	現金及銀行結存	8,927	30,176
Bank overdrafts – secured	銀行透支 – 有抵押	-	(13,178)
		8,927	16,998

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). After the capital and group reorganisation (the "Restructuring") that took place on 3 December 2010 (the "Effective Date"), the directors of the Company (the "Directors") consider that the Company's holding company and ultimate holding company is Skill China Limited ("Skill China"), a limited liability company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of the Company are disclosed in the corporate information included in the annual report.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 20.

2. BASIS OF PREPARATION

At the end of the reporting period, the Group had consolidated net current liabilities of approximately HK\$71,287,000 (2010: HK\$792,640,000). This condition therefore indicate the existence of a material uncertainty in relation to the Group's ability to continue as a going concern. In view of such circumstance, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

On the Effective Date, the Company announced that the Restructuring set out in the circular of the Company issued on 28 June 2010 (the "Circular") and approved by the shareholders of the Company at a special general meeting on 26 July 2010, had been completed, including principal elements as summarised below. Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the Circular.

1. 一般資料

本公司於開曼群島註冊成立為有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。股本及集團重組（「重組」）於二零一零年十二月三日（「生效日期」）進行後，本公司董事（「董事」）認為，本公司之控股公司及最終控股公司為華能有限公司（「華能」），該公司於英屬處女群島註冊成立為有限公司。本公司之註冊辦事處地址及主要營業地點於年報「公司資料」內披露。

本公司為一間投資控股公司，旗下附屬公司之主要業務載列於附註20。

2. 編制基準

於報告期間結算日，本集團之綜合流動負債淨額約為港幣71,287,000元（二零一零年：港幣792,640,000元）。因此，有關狀況顯示，本集團是否有能力持續經營存在頗大不明朗因素。鑑於有關狀況，董事評估本集團是否有足夠財務資源持續經營時，已審慎考慮本集團之未來流動資金狀況及表現以及其可動用財務資源。

於生效日期，本公司宣佈，本公司於二零一零年六月二十八日刊發之通函（「通函」）載列經本公司股東在二零一零年七月二十六日之股東特別大會批准之重組已完成，當中包括下文概述之主要部分。除另有註明者外，本報告所用詞彙與通函所用者具有相同涵義。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

- (a) The Capital Reorganisation comprising the Capital Reduction, Share Sub-division and Share Consolidation. Before the Capital Reorganisation, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Existing Shares of HK\$0.10 each, and the issued share capital of the Company is HK\$105,788,996.20 divided into 1,057,889,962 Shares. Immediately after completion of the Capital Reorganisation, the authorised share capital of the Company will be HK\$300,000,000, divided into 30,000,000,000 New Shares of HK\$0.01 each and the issued share capital of the Company will be reduced to HK\$1,057,889.96 divided into 105,788,996 New Shares of HK\$0.01 each. The Shares will rank pari passu in all respects with each other.
- (b) Subscription of 909,785,366 Subscription Shares with a par value of HK\$0.01 each at the Subscription Price of approximately HK\$0.0879 per Subscription Share resulting in the cash consideration of HK\$80 million, and issuance of 52,894,498 Remuneration Shares with a par value of HK\$0.01 each at a price of approximately HK\$0.0879 per Remuneration Share in settlement of part of professional fees in relation to the Restructuring.
- (c) A Group Reorganisation and Creditor Scheme which split the Group into a group comprising the Company and certain subsidiaries retained under the control of the Company (the "Retained Subsidiaries") (altogether with the Company referred to as the "Retained Group") and a group comprising the other subsidiaries to be held outside the Retained Group (the "Scheme Subsidiaries") by a special purpose vehicle (the "Schemeco") wholly-owned by the Administrators of the Creditor Scheme (the "Administrators").

2. 編制基準(續)

- (a) 股本重組包括股本削減、股份拆細及股份合併。於股本重組前，本公司法定股本為港幣300,000,000元，分為3,000,000,000股每股面值港幣0.10元之現有股份，而本公司已發行股本為港幣105,788,996.20元，分為1,057,889,962股股份。緊隨股本重組完成後，本公司法定股本將為港幣300,000,000元，分為30,000,000,000股每股面值港幣0.01元之新股份，而本公司已發行股本將削減至港幣1,057,889.96元，分為105,788,996股每股面值港幣0.01元之新股份。股份於各方面彼此享有同等地位。
- (b) 按認購價每股認購股份約港幣0.0879元認購909,785,366股每股面值港幣0.01元之認購股份產生現金代價港幣80,000,000元，並按每股酬金股份約港幣0.0879元之價格發行52,894,498股每股面值港幣0.01元之酬金股份，以償付有關重組之部分專業費用。
- (c) 集團重組及債權人計劃會將本集團分割為由本公司及若干維持由本公司控制之附屬公司(「保留附屬公司」)組成之集團(連同本公司統稱為「保留集團」)，以及由保留集團以外將由債權人計劃管理人(「管理人」)全資擁有之特殊用途公司(「計劃公司」)所持其他附屬公司(「計劃附屬公司」)組成之集團。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

- (d) Pursuant to the Creditor Scheme, from the Effective Date, the scheme Claims (as defined in the joint announcement of the Company and the board of directors of Skill China Limited dated 27 January 2010) was released and discharged, and the proceeds from future disposal of assets or business of the Scheme Subsidiaries, together with a sum of HK\$80 million, being the consideration of the Subscription Shares and 63,473,398 Option Shares allocated from 909,785,366 Subscription Shares as mentioned in note (b) above were made available to the Administrators to settle and discharge the Claims under the Creditor Scheme.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors, the Group should be able to continue as a going concern in the coming year taking into consideration the specific measures to improve its financial position which include, but not limited to, the following:

- (a) On the successful implementation of the Restructuring, the Group has been released and discharged from all the scheme Claims, thereby improving the liquidity position of the Group at the end of the reporting period;
- (b) The ultimate holding company has agreed to provide adequate funds for the Group to meet its liabilities as they fall due; and
- (c) The Directors are looking for various business opportunities to broaden its business scope and sources of income through investment or business ventures to improve the profitability of the Group.

2. 編制基準(續)

- (d) 根據債權人計劃，自生效日期起，計劃申索(定義見本公司及華能有限公司董事會日期為二零一零年一月二十七日之聯合公佈)已解除及釋除，自計劃附屬公司未來出售之資產或業務所得款項連同為數港幣80,000,000元之款項(即上文附註(b)所述認購股份及自909,785,366股認購股份調配之63,473,398股期權股份之代價)已付予管理人，以償付及釋除債權人計劃項下申索。

綜合財務報表按持續經營基準編製。董事認為，計及改善財務狀況之特定措施，包括但不限於以下各項後，本集團應能於來年持續經營：

- (a) 成功實施重組後，本集團一切計劃申索已解除及釋除，據此，本集團於報告期間結算日之流動資金狀況得以改善；
- (b) 最終控股公司同意向本集團提供足夠資金，以償還到期之負債；及
- (c) 董事現正物色各類商機，以拓展業務範疇及收入來源，透過投資或業務合營，以改善本集團之盈利能力。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, the validity of which depends upon the financial support from the ultimate holding company at a level sufficient to finance the working capital requirements of the Group. Accordingly, the Directors are of the opinion that it is appropriate to prepare these financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to these financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below:

Classification of Land Leases

Amendments to HKAS 17 "Leases" deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

2. 編制基準(續)

基於上述因素，董事信納，本集團於可見未來將有足夠財務資源在須履行財務責任時履行有關責任，有關責任之有效期取決於來自最終控股公司之財務支援水平是否足以撥付本集團營運資金所需。因此，董事認為，按持續經營基準編製該等財務報表乃適當之舉。倘本集團無法持續經營，則須調整該等財務報表，將本集團資產價值調整至可收回金額，以就可能產生之任何進一步負債計提撥備，並分別將非流動資產及負債重新分類為流動資產及負債。

3. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納香港會計師公會（「香港會計師公會」）頒佈之所有新訂及經修訂香港財務報告準則（「香港財務報告準則」），該等準則與其業務有關，並於二零一零年四月一日開始之會計年度生效。香港財務報告準則包括香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋。除下述者外，採納該等新訂及經修訂香港財務報告準則並無對本集團之會計政策、本集團財務報表之呈列方式以及本年度及過往年度所呈報金額構成重大變動：

土地租賃分類

香港會計準則第17號「租賃」之修訂刪除香港會計準則第17號之指引，即於土地擁有無限經濟使用年期，則土地部分一般分類為經營租賃，除非預定期業權於租賃期結束前會移交予承租人。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Classification of Land Leases (continued)

The Group reclassifies a land lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group e.g. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the land.

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in these financial statements as follows:

	At 31 March 2011	At 31 March 2010	At 1 April 2009
	於二零一一年 三月三十一日	於二零一零年 三月三十一日	於二零零九年 四月一日
	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元
Increase in property, plant and equipment	17,535	35,032	42,000
Decrease in prepaid land lease payments	(17,535)	(35,032)	(42,000)

The retrospective application of the amendments to HKAS 17 has resulted in the restatement of items in the consolidated statements of financial position as at 31 March 2010 and 1 April 2009. The related explanatory notes affected by the amendments have been re-presented in these financial statements to comply with the new requirements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. 採納新訂及經修訂香港財務報告準則(續)

土地租賃分類(續)

如租賃將擁有權所附帶之絕大部分風險及回報轉移本集團(即於租賃開始時,最低租賃款項之現值最少達土地近乎全部公平值),則本集團會將土地租賃重新分類為融資租賃。

香港會計準則第17號之修訂已追溯應用並導致該等財務報表中呈報綜合金額有以下變動:

At 31 March 2011	At 31 March 2010	At 1 April 2009
於二零一一年 三月三十一日	於二零一零年 三月三十一日	於二零零九年 四月一日
HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元

追溯應用香港會計準則第17號導致重列於二零一零年三月三十一日及二零零九年四月一日之綜合財務狀況報表項目。受修訂影響之相關解釋附註已於財務報表呈列,以符合新規定。

本集團並無應用已頒佈但尚未生效之新訂香港財務報告準則。本集團已著手評估該等新訂香港財務報告準則之影響,惟尚未能呈述該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, which are carried at their fair values. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to these financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

4. 主要會計政策

此等財務報表乃按照香港會計師公會頒佈之香港財務報告準則、香港公認之會計原則及聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露編製。

此等財務報表乃按歷史成本法編製，並就按公平值列賬之樓宇重估修訂。此等財務報表以港幣(「港幣」)呈列，除另有註明者外，所有數值均四捨五入至最接近千位。

編製符合香港財務報告準則之財務報表需要運用若干主要假設及估計，亦要求董事須於應用會計政策時作出判斷。涉及重大判斷以及就此等財務報表而言屬重大假設及估計之範疇於此等財務報表附註5進一步披露。

就編製此等財務報表應用之主要會計政策載列如下。

綜合賬目

綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。附屬公司指本集團擁有其控制權之實體。控制權乃指有權支配一間實體之財務及經營政策，以從其業務中獲取利益。於評估本集團是否擁有控制權時，會考慮現時是否存在可行使或可轉換之潛在表決權及其影響。

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財務報表附註

For the year ended 31 March 2011
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation (continued)

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

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策(續)

綜合賬目(續)

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起取消綜合入賬。

出售附屬公司而導致失去控制權之收益或虧損乃指(i)出售代價公平值加該附屬公司仍保留之任何投資公平值與(ii)本公司應佔該附屬公司資產淨值加與該附屬公司有關之任何餘下商譽及任何相關累計外幣換算儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要調整，以確保符合本集團採納之會計政策。

本公司並無導致失去附屬公司控制權之擁有權權益變動按權益交易入賬，即與以擁有人身分進行之擁有人交易。控股及非控股權益之賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益數額之調整額與已付或已收代價公平值間差額，直接於權益確認並歸屬本公司擁有人。

於本公司財務狀況表內，於附屬公司之投資按成本值扣除減值虧損撥備列賬。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體之財務報表包括之項目，均使用實體經營所在之主要經濟環境採用之貨幣（「功能貨幣」）計算。綜合財務報表以港幣呈列，該貨幣乃本公司之功能及呈列貨幣。

(b) 於各實體財務報表之交易及結餘

外幣交易於初步確認時採用交易當日之現行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債乃以各報告期間結算日之匯率換算。此換算政策所產生收益及虧損於損益中確認。

按公平值以外幣計算之非貨幣項目以釐定公平值當日之匯率換算。

倘非貨幣項目之收益或虧損於其他全面收入中確認，任何該收益或虧損之匯兌部分於其他全面收入中確認。倘非貨幣項目之收益或虧損於損益中確認，任何該收益或虧損之匯兌部分則於損益中確認。

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財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

4. 主要會計政策(續)

外幣換算(續)

(c) 綜合賬目時換算

功能貨幣與本公司呈列貨幣有所不同之所有集團實體之業績及財務狀況乃按下列方法換算為本公司之呈列貨幣：

- (i) 各份財務狀況表呈列之資產及負債，均按該財務狀況表日期之收市匯率換算；
- (ii) 各份收益表之收入及開支乃按平均匯率換算，惟倘該平均匯率並不足以合理概述於交易日期適用匯率之累計影響，則在此情況下，收入及開支乃以交易日之匯率進行換算；及
- (iii) 所有因此而產生之匯兌差額於外幣換算儲備內確認。

於綜合賬目時，因換算海外實體投資淨額及借貸所產生之匯兌差額於外幣換算儲備內確認。當出售海外業務時，該等匯兌差額於綜合損益確認為出售收益或虧損之一部分。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Buildings comprise mainly factories and offices and are carried at fair values, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Revaluation increases of buildings are recognised in profit or loss to the extent that the increases reverse revaluation decreases of the same asset previously recognised in profit or loss. All other revaluation increases are credited to the property revaluation reserve as other comprehensive income. Revaluation decreases that offset previous revaluation increases of the same asset remaining in the property revaluation reserve are charged against the property revaluation reserve as other comprehensive income. All other decreases are recognised in profit or loss. On the subsequent sale or retirement of a revalued building, the attributable revaluation increases remaining in the property revaluation reserve is transferred directly to retained profits.

4. 主要會計政策(續)

物業，廠房及設備

樓宇主要包括工廠及辦公室，按公平值減其後折舊及減值虧損列賬，公平值乃以外聘獨立估值師所作出定期估值計算。於重估日期之任何累計折舊會與資產之賬面總值對銷，而淨值重列為資產之重估金額。所有其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。

僅於項目相關未來經濟利益將流入本集團及項目成本能可靠地計量時，其後成本方會計入資產之賬面值或確認為一項獨立資產(視適用情況而定)。所有其他維修及保養均於產生期間之損益支銷。

樓宇之重估增加於增加金額撥回同一資產過往於損益確認之重估金額減少情況下於損益確認。所有其他重估增加均作為其他全面收入計入物業重估儲備。物業重估儲備內抵銷餘下同一資產過往重估增加之重估減少作為其他全面收入自物業重估儲備扣除。所有其他減少均於損益確認。於重估樓宇其後出售或報廢時，於物業重估儲備內餘下應佔重估增加直接轉撥至保留溢利。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold lands	Over the lease terms
Leasehold buildings	4% on the straight-line basis
Leasehold improvements	10% to 25% on the reducing balance basis
Furniture and fixtures	10% to 25% on the reducing balance basis
Equipment and tools	10% to 25% on the reducing balance basis
Motor vehicles	30% on the reducing balance basis
Moulds	25% on the straight-line basis

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these property, plant and equipment, on the same basis as other property, plant and equipment, commences when the property, plant and equipment are ready for their intended use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 主要會計政策(續)

物業，廠房及設備(續)

物業、廠房及設備扣除餘值後以直線法，於其估計可使用年期，按足以撇銷成本之比率計算折舊，主要年率如下：

租賃土地	按租期
租賃樓宇	以直線法按4%
租賃物業裝修	以遞減餘額法按10%至25%
傢俬及裝置	以遞減餘額法按10%至25%
設備及工具	以遞減餘額法按10%至25%
汽車	以遞減餘額法按30%
模具	以直線法按25%

餘值、可使用年期及折舊法乃於各報告期間結算日檢討，並於適當時作出調整。

在建工程包括正在建設作生產或自用之物業、廠房及設備，乃按成本減任何已確認減值虧損列賬。在建工程乃於完成及可作擬定用途時分類至物業、廠房及設備之適當類別，並於有關資產可作擬定用途時按其他物業、廠房及設備之相同基準計提折舊。

出售物業、廠房及設備之收益或虧損指出售所得款項淨額與相關資產賬面值間之差額，於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Group as lessee

(a) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(b) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

The Group as lessor

(a) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 主要會計政策(續)

租賃

本集團作為承租人

(a) 經營租賃

並不將資產擁有權之絕大部分風險及回報轉移至本集團之租賃，分類為經營租賃。租賃款項在扣除自出租人收取之任何獎勵金後，於租期內以直線法確認為開支。

(b) 融資租賃

將資產擁有權之絕大部分風險及回報轉移至本集團的租賃，分類為融資租賃。融資租賃在開始時按租賃資產之公平值與最低租賃款項現值(兩者均於租賃開始時釐定)間之較低者資本化。

出租人之相應債務於財務狀況表列作融資租賃應付款項。租賃款項按比例分配為融資費用及削減未付債務。融資費用於各租期內攤分，以就債務結餘得出一個貫徹之定期利率。

融資租賃項下資產按與自置資產之相同方法計算折舊。

本集團作為出租人

(a) 經營租賃

並不將資產擁有權之絕大部分風險及回報轉移至承租人之租賃，分類為經營租賃。來自經營租賃之租金收入於相關租期內以直線法確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. 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.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 主要會計政策(續)

存貨

存貨按成本及可變現淨值兩者之較低者入賬。成本以加權平均基準計算，製成品及在製品之成本包括原材料、直接勞工及適當部分的所有經常成本，以及(如適用)分包開支。可變現淨值即於一般業務過程中之估計售價，減完成及出售所需估計成本。

確認及終止確認金融工具

當本集團成為工具合約條款之一方時，會在財務狀況表確認金融資產及金融負債。

當自資產收取現金流量之合約權利屆滿時；或本集團將資產所有權絕大部分風險及回報轉讓時；或本集團概無轉讓亦無保留資產之絕大部分風險回報惟並無保留對資產之控制權時，則會終止確認金融資產。於終止確認金融資產時，資產賬面值與已收代價以及於其他全面收入確認之累計收益或虧損之總和差額於損益確認。

當有關合約內指定之責任獲解除、取消或屆滿時終止確認金融負債。終止確認金融負債之賬面值與已付代價之差額於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the recoverable amount of the receivables can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which 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.

4. 主要會計政策(續)

貿易及其他應收款項

貿易及其他應收款項指附有固定或可釐定付款額及無活躍市場報價之非衍生金融資產，初步按公平值確認，其後採用實際利率法按攤銷成本扣除減值撥備計算。倘有客觀憑證顯示本集團將不能按應收款項之原有條款收回所有到期款項，則會對貿易及其他應收款項作出減值撥備。撥備數額為應收款項賬面值與估計未來現金流量現值間之差額，並按初步確認之實際利率貼現。該撥備數額於損益確認。

當應收款項之可收回金額增加乃客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並在損益確認，惟應收款項於減值被撥回日期應有之賬面值不得超過倘無確認減值之攤銷成本。

現金及等同現金項目

就現金流量表而言，現金及等同現金項目指銀行及手頭現金、存放於銀行及其他財務機構之活期存款，以及短期高流通性之投資（可轉換為已知數額現金款項及受極輕微價值變動風險所限）。現金及等同現金項目亦包括須按要償還及為本集團整體現金管理一部分之銀行透支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- (a) the amount of the obligations under the contracts, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and
- (b) the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

借貸

借貸初步按公平值，扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期間後最少12個月，否則借貸應分類為流動負債。

財務擔保合約負債

財務擔保合約負債初步按其公平值計量，其後按以下較高者計量：

- (a) 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約項下責任金額；及
- (b) 初步確認金額減於擔保合約年期內按直線法於損益確認之累計攤銷。

貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，其後則採用實際利率法按攤銷成本計量，惟如貼現影響並不重大，則以成本列賬。

股本工具

本公司發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Revenues from the sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- (b) Processing services fee is recognised when the services are rendered.
- (c) Interest income is recognised on a time-proportion basis using the effective interest method.
- (d) Dividend income is recognised when the shareholders' right to receive payment has been established.
- (e) Rental income is recognised on a straight-line basis over the lease term.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策(續)

收益確認

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益金額能可靠計量時予以確認。

- (a) 銷售貨品之收益於擁有權大部分風險及回報已轉歸買方，而本集團不再參與通常與所售出貨品之擁有權或實際控制權有關的管理時確認。
- (b) 加工服務費於提供服務時確認。
- (c) 利息收入以實際利率法按時間比例確認。
- (d) 股息收入於股東可獲取派息之權利確立時確認。
- (e) 租金收入按租賃期以直線法計算確認入賬。

僱員福利

(a) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至各報告期間結算日止僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

(b) Pension obligations

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for all qualifying employees in Hong Kong. The Group's contribution to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligation of all existing and future retired employees of the subsidiaries. The only obligation of the subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

4. 主要會計政策(續)

僱員福利(續)

(b) 退休金責任

本集團按照香港強制性公積金計劃條例為其全體合資格香港僱員設立強制性公積金計劃(「強積金計劃」)。本集團須按僱員薪金及工資之5%向強積金計劃作出供款，每月供款上限為每名僱員港幣1,000元，於向強積金計劃作出供款後，即悉數歸屬僱員。

本集團於中國成立之附屬公司僱員為地方市政府營辦之中央退休金計劃成員。該等附屬公司須按僱員基本薪金及工資之若干百分比向中央退休金計劃作出供款，以支付有關退休福利。地方市政府承諾承擔該等附屬公司所有現有及日後退休僱員之退休福利責任。該等附屬公司就中央退休金計劃之唯一責任為根據該計劃作出所需供款。

以股份為基礎之付款

本集團向若干董事及僱員發行以股本結算以股份為基礎之付款。以股本結算以股份為基礎之付款按授出日期股本工具之公平值，扣除非市場歸屬條件之影響後計算。以股本結算以股份為基礎之付款於授出日期釐定之公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整之股份，以直線法於歸屬期內支銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Equity-settled share-based payments to the financial advisors are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

4. 主要會計政策(續)

以股份為基礎之付款(續)

向財務顧問發行以股本結算以股份為基礎之付款按所提供服務之公平值計量，或如所提供服務之公平值無法可靠地計量，則按所授出股本工具之公平值計量。公平值乃按本集團獲得服務當日計量及確認為開支。

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生直接借貸成本，資本化為該等資產之部分成本，直至該等資產已大致上可供其擬定用途或銷售。在特定借貸撥作合資格資產之支出前暫時用作投資所賺取之投資收入，須從合資格資本化之借貸成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本乃就用於該資產之開支應用資本化比率計量。資本化比率為適用於本集團該期間內尚未償還借貸(不包括就取得合資格資產而借入之特定借貸)之加權平均借貸成本。

所有其他借貸成本均在產生之期間內於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策(續)

稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益確認之溢利不同，原因是應課稅溢利不包括其他年度之應課稅或可予扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於各報告期間結算日已實施或實質已實施之稅率計算。

遞延稅項乃指在財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項資產之賬面值乃於各報告期間結算日進行檢討，並於預期將不可能有充裕之應課稅溢利以抵銷所有或部分資產時調減。

遞延稅項負債乃按於附屬公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來撥回者除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A party is related to the Group if:

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

4. 主要會計政策(續)

稅項(續)

遞延稅項乃根據於各報告期間結算日已實施或實質實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與於其他全面收入或直接於權益確認之項目相關，則在此情況下亦會在其他全面收入或直接於權益內確認。

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

關連人士

下列人士將被視為與本集團有關連：

- (a) 直接或間接透過一間或多間中介實體控制本集團、被本集團控制或與本集團受到共同控制；擁有本集團權益並可對本集團發揮重大影響力；或與他人共同擁有本集團控制權之人士；
- (b) 該人士為聯營公司；
- (c) 該人士為合營企業；
- (d) 該人士為本公司或其母公司之主要管理人員；
- (e) 該人士為(a)或(d)中所述個別人士之近親；
- (f) 該人士為(d)或(e)中所述任何人士直接或間接控制、共同控制或對該實體有重大影響力或擁有重大投票權之實體；或

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, except inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

4. 主要會計政策(續)

關連人士(續)

- (g) 該人士為本集團或與本集團有關連之實體為其僱員而設之退休福利計劃。

分部報告

經營分部及各分部項目於財務報表內呈報之金額，乃根據就資源分配及評估本集團不同業務所在地區之表現定期提供予本集團最高行政管理人員的財務資料識別。

就財務報告而言，除非分部具備類似經濟特徵及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似，否則各個重大經營分部不會進行合算。就個別非重大經營分部而言，倘若符合上述大部分標準，則可進行合算。

資產減值

於各報告期間結算日，本集團審閱其有形及無形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損，存貨及應收款項除外。倘若出現任何該等跡象，則估計資產之可收回金額，以釐定任何減值虧損。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

Recoverable amount is the higher of fair value less costs to sell 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 the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures expected to settle the obligation.

4. 主要會計政策(續)

資產減值(續)

可收回金額乃公平值減銷售成本及使用價值兩者中較高者。在評估使用價值時，估計日後現金流按當時市場對該項資產之貨幣時值及資產特定風險之評估的貼現率貼現至其現值。

倘若估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

倘若減值虧損其後撥回，資產或現金產生單位賬面值乃增加至其可收回金額之經修訂估計，惟已增加賬面值不得超過於過往年度並無確認資產或現金產生單位減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

撥備及或然負債

當本集團因已發生的事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並可估計責任金額的情況下，須對此等時間或金額不確定之負債確認撥備。倘時間價值重大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities (continued)

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 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 is remote.

Event after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are dealt with below.

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support from the ultimate holding company at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2 to these financial statements.

4. 主要會計政策(續)

撥備及或然負債(續)

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。是否存在將取決於日後是否會發生一宗或多宗事件之可能出現責任亦披露為或然負債，除非經濟利益流出之可能性極低則另作別論。

報告期間後事項

為本集團於各報告期間結算日狀況提供額外資料或顯示持續經營假設並不適合之報告期間後事項均屬於調整事項，於財務報表內反映。並非屬調整事項之報告期間後事項如屬重大，則於財務報表附註中披露。

5. 關鍵判斷及主要假設

應用會計政策時的關鍵判斷

於應用會計政策過程中，董事已作出以下對財務報表中所確認金額具有最重大影響的判斷，在下文處理涉及估計之判斷除外。

(a) 持續經營基準

此等財務報表乃按持續經營基準編製，其有效性視乎來自最終控股公司之財務支援足以撥付本集團營運資金所需之水平而定。詳情於財務報表附註2說明。

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財務報表附註

For the year ended 31 March 2011
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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Critical judgements in applying accounting policies (continued)

(b) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the production of goods. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production of goods. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgement.

(c) Legal titles of certain lands and buildings

As stated in note 19 to these financial statements, the legal titles of certain lands and buildings have not transferred to the Group as at 31 March 2011. Despite the fact that the Group has not obtained the relevant certificates of legal titles, the Directors determine to recognise those lands and buildings under property, plant and equipment, on the grounds that they expect the transfer of legal titles in future should have no major difficulties and the Group is in substance controlling those lands and buildings.

5. 關鍵判斷及主要假設(續)

應用會計政策時的關鍵判斷(續)

(b) 投資物業及業主自用物業的差別

本集團會確定一項物業是否合資格列為投資物業。在作出判斷時，本集團會考慮該項物業是否能夠在大致上獨立於本集團所持其他資產之情況下產生現金流量。業主自用物業所產生現金流量並不只源自物業，亦來自生產或供應過程中使用的其他資產。

若干物業一部分可作賺取租金，另一部分則持作生產貨品用途。倘有關部分可獨立出售(或按融資租賃個別出租)，本集團會將有關部分獨立入賬。倘有關部分不能獨立出售，則在只有一小部分乃用作生產貨品用途時，該項物業方可入賬列為投資物業。釐定配套服務的重要程度是否足以導致物業未能符合投資物業之資格時，須作出判斷。本集團於作出判斷時會獨立考慮各項物業。

(c) 若干土地及樓宇之法定業權

誠如此等財務報表附註19所列，於二零一一年三月三十一日，若干土地及樓宇之業權並未轉移至本集團。儘管本集團尚未取得相關法定業權之證書，但董事決定將該等土地及樓宇確認為物業、廠房及設備，原因為彼等預期日後法定業權之轉移應不會存在任何重大困難，且本集團實際上控制該等土地及樓宇。

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財務報表附註

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty

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

(a) Impairment of assets

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

(b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line and a reducing balance basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設，以及於各報告期間結算日估計不確定因素之其他主要來源於下文討論。

(a) 資產減值

本集團須於釐定資產是否出現減值或過往導致資產減值之事件是否不再存在時作出判斷，尤其於評估下列事項時：(i)是否發生可影響資產價值之事件或該等影響資產價值之事件已不再存在；(ii)資產賬面值是否有未來現金流之現值淨額支持，有關金額乃以資產持續使用或終止確認之基準釐定；及(iii)於準備現金流預測時採用合適之主要假設，包括該等現金流預測是否以合適貼現率貼現。管理層就釐定減值水平所選定之假設(包括現金流量預測所採用貼現率或增長率假設)之變動，或會對減值測試中所採用現值淨額構成重大影響。

(b) 物業、廠房及設備之折舊

物業、廠房及設備按其估計可使用年期經計及其估計餘值後採用直線法及遞減結餘基準計提折舊。釐定可使用年期及餘值涉及管理層之估計。本集團每年對物業、廠房及設備之餘值及可使用年期進行評估，倘預期與原本估計不同，則有關差異可能對本年度之折舊帶來影響，而未來期間之估計將有所改變。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(c) Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customers collection issues that have been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

(d) Allowance for inventories

The management of the Group reviews an aging analysis at the end of the reporting period, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and makes allowances for obsolete items.

(e) Estimation of fair value of buildings

The best evidence of fair value is current prices in an active market for similar buildings. In the absence of such information, the Group considers information from a variety of sources, including: (i) by reference to independent valuations; (ii) current prices in an active market for buildings of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar buildings on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and (iv) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market prices for similar buildings in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源(續)

(c) 呆壞賬撥備

本集團對其客戶持續進行信用評估，並根據付款記錄及客戶當前之信貸情況(通過審閱其當前信貸資料而釐定)調整信用額度。本集團持續監察收款及其客戶之付款情況，並根據過往經驗及任何已確認向特定客戶收款問題保持一定撥備以應付預計之信貸虧損。信貸虧損一直符合本集團預期，而本集團將持續監察向客戶收款之情況，以及保持適當之預計信貸虧損水平。

(d) 存貨撥備

本集團管理層於各報告期間結算日審查賬齡分析，就所識別不再適合作生產用途之陳舊及滯銷存貨項目作出撥備。管理層主要依據最近期發票價格及現行市況估計該等製成品之可變現淨值。本集團於各報告期間結算日就個別產品進行存貨審查，並就陳舊項目計提撥備。

(e) 樓宇公平值之估算

公平值之最佳憑證為活躍市場上類似樓宇之現行價格。如欠缺該等資料，本集團將考慮多項資料來源，包括：(i)參考獨立估值；(ii)活躍市場內不同性質、狀況有別或處於不同地點(或受制於不同租約或其他合約)之樓宇的現行價格，並作出調整以反映該等差異；(iii)類似樓宇於交投較為淡靜市場之近期價格，並作出調整以反映自以該等價格進行交易當日以來之任何經濟狀況變動；及(iv)根據可靠之未來現金流估算，並以任何現有租約或其他合約之條款，以及在可行情況下以外界證據(如於相同地點及狀況相同之類似樓宇之現行市價)作支持，並採用反映現金流金額及時間不確定因素之當前市場評估之貼現率作出貼現現金流預測。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(e) Estimation of fair value of buildings (continued)

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar buildings in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs. The carrying amount of the Group's buildings are disclosed in note 19 to these financial statements.

(f) Income taxes

The Hong Kong Inland Revenue Department (the "IRD") initiated tax queries to an indirect wholly-owned subsidiary of the Company for the years of assessment from 2005/2006 to 2008/2009. Since the tax queries are still at a fact-finding stage with different views being exchanged with the IRD, the outcome of the tax queries cannot be readily ascertained with any degree of accuracy. In cases where the tax charged by the IRD are different from the estimated amounts, a material tax charge may arise.

(g) Provision for litigation

Certain subsidiaries of the Company are or have been involved in certain litigations in respect of goods sold and services delivered, trade and other payables to third parties by the Group. The Directors determine the provision for litigation based on their best estimates and legal advices. If the final outcome of litigations is different from the estimation made by the Directors, additional provision for litigation may be required.

5. 關鍵判斷及主要假設(續)

估計不確定因素之主要來源(續)

(e) 樓宇公平值之估算(續)

本集團估算公平值時之主要假設包括處於相同地點及狀況相同之類似樓宇之現行市價、合適貼現率、預期未來市價及未來保養成本。本集團樓宇之賬面值於財務報表附註19披露。

(f) 所得稅

香港稅務局(「稅務局」)自二零零五／二零零六年至二零零八／二零零九年之課稅年度就本公司一家間接全資附屬公司進行稅務審查。由於稅務審查仍在資料搜集及稅務局交換意見階段，最後稅務審查結果仍未能合理確定。倘稅務局徵收稅項與估計金額不符，可能出現重大稅務支出。

(g) 訴訟撥備

本公司若干附屬公司涉及有關本集團向第三方售出貨品及提供服務、貿易及其他應付款項之若干訴訟。董事按照彼等之最佳估計及法律意見計提訴訟撥備。倘若訴訟之最終結果與董事所估計者有異，則可能需要就訴訟作出進一步撥備。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The major financial instruments of the Group include accounts and other receivables, cash and bank balances, accounts and other payables, borrowings and finance lease payables. The activities of the Group expose it to a variety of financial risks: interest rate risk, foreign currency risk, credit risk and liquidity risk. The Directors reviewed and agreed on the policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligation with a floating interest rate.

At end of the reporting period, if interest rates had been increased or decreased by 100 basis points (2010: 100 basis points) and all other variables were held constant, the profit (2010: loss) before tax of the Group would decrease or increase by approximately HK\$1,126,000 (2010: increase or decrease by HK\$2,893,000) mainly as a result of higher or lower interest rates on floating rate borrowings.

(b) Foreign currency risk

The Group's entities mainly operate in Hong Kong and the People Republics of China (the "PRC") and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Group constantly reviews the economic situation and its foreign currency risk profile, and considers implementing appropriate hedging measures in future as the need arises.

6. 財務風險管理目標及政策

本集團主要金融工具包括應收賬款及其他應收款項、現金及銀行結存、應付賬款及其他應付款項、借貸及應付融資租賃。本集團業務面對多種財務風險：利率風險、外匯風險、信貸風險及流動資金風險。董事負責檢討及協定管理各類該等風險之政策，該等政策於下文概述。

(a) 利率風險

本集團所承擔之市場利率變動風險主要與本集團以浮動利率計息之債項承擔有關。

於報告期間結算日，倘利率上升或下降100個基點（二零一零年：100個基點）而所有其他變數保持不變，本集團除稅前溢利（二零一零年：虧損）會減少或增加約港幣1,126,000元（二零一零年：增加或減少港幣2,893,000元），主要因浮動利率借貸之利率上升或下降而致。

(b) 外匯風險

本集團實體主要於香港及中華人民共和國（「中國」）經營，並承擔主要與並非以實體功能貨幣之貨幣計值之資產與負債有關的多種貨幣所產生外匯風險。本集團定期檢討經濟狀況及其外匯風險組合，並於未來需要時考慮實施適當之對沖措施。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

At the end of the reporting period, if Renminbi ("RMB") strengthened or weakened by 5% against US dollars, with all other variables held constant, profit (2010: loss) before tax for the year would have been approximately HK\$54,000 lower or higher (2010: HK\$4,301,000 higher or lower), mainly as a result of foreign exchange losses or gains on translation of prepayments, deposits and receivables and in relation to the operation in the Mainland China.

(c) Credit risk

The Group intends to trade with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 63% (2010: 100%) and 100% (2010: 100%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively. The credit risk of the Group's other financial assets, which comprise amount due from a scheme subsidiary, cash and bank balances and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group has policies in place to ensure that sales are made to customers with appropriate credit history, there is generally no requirement for collateral.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivables are disclosed in note 22 to these financial statements.

6. 財務風險管理目標及政策(續)

(b) 外匯風險(續)

於報告期間結算日，倘人民幣(「人民幣」)兌美元升值或貶值5%而所有其他變數保持不變，本年度除稅前溢利(二零一零年：虧損)會減少或增加約港幣54,000元(二零一零年：增加或減少港幣4,301,000元)，主要因就換算預付款項、按金及其他應收款項及於中國內地營運之外匯虧損或收益而致。

(c) 信貸風險

本集團僅與獲認可及信譽良好之第三方進行貿易。本集團政策為欲以信貸條款進行貿易之客戶均須接受信貸驗證程序。此外，應收款項結餘乃以持續基準監控。

於報告期間結算日，本集團之若干信貸風險集中，原因為本集團貿易應收賬款約63%(二零一零年：100%)及100%(二零一零年：100%)分別來自本集團最大貿易債務人及五名最大貿易債務人。本集團其他金融資產之信貸風險由應收一家計劃附屬公司款項、現金及銀行結存以及對方違約所產生其他應收款項組成，最高風險相等於該等工具之賬面值。

由於本集團已設立政策確保與具備合適信貸歷史之客戶進行銷售，故一般毋須抵押品。

有關本集團承受由應收賬款所產生信貸風險的進一步量化數據於財務報表附註22披露。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

6. 財務風險管理目標及政策(續)

(d) 流動資金風險

本集團政策為定期監察現時及預期流動資金規定，以確保其維持足夠現金儲備，應付短期及長期流動資金規定。於各報告期間結算日，按已訂約未貼現款項劃分之本集團金融負債的到期概況如下：

		On demand	Less than 3 months	3 to less than 12 months	Between 1 and 2 years	Total undiscounted cash flows
		按要求償還	少於三個月	三個月至少於十二個月	一至二年	未貼現金流量總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
於二零一一年						
At 31 March 2011	三月三十一日					
Accounts payables	應付賬款	327	1,748	170	-	2,245
Financial liabilities included in accruals and other payables	計入應計負債及其他應付款項之金融負債	12,047	-	-	-	12,047
Borrowings	借貸	159,431	-	40,000	81,765	281,196
Due to directors	應付董事款項	1,000	-	-	-	1,000
		172,805	1,748	40,170	81,765	296,488
於二零一零年						
At 31 March 2010	三月三十一日					
Accounts payables	應付賬款	134	225	318,851	-	319,210
Financial liabilities included in accruals and other payables	計入應計負債及其他應付款項之金融負債	21,203	-	-	-	21,203
Borrowings and finance lease payables	借貸及應付融資租賃	161,798	1,998	248,318	-	412,114
Due to directors	應付董事款項	629	-	-	-	629
		183,764	2,223	567,169	-	753,156

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7. SEGMENT INFORMATION

The Group's revenue and result for the year ended 31 March 2011 were mainly derived from its operating segment of manufacture, processing and sale of electronic consumer products and related components. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to these financial statements. Segment profits or losses do not include dividend income, interest income, gain on deconsolidation of a liquidating subsidiary, gain on debt restructuring, finance costs, income tax and unallocated corporate income and expenses. Segment assets do not include due from a scheme subsidiary, tax assets, cash and bank balances and other unallocated corporate assets. Segment liabilities do not include borrowings, amounts due to directors, tax liabilities and unallocated corporate liabilities. Segment non-current assets do not include financial instruments and tax assets.

7. 分部資料

本集團截至二零一一年三月三十一日止年度之收益及業績主要來自其製造、加工及銷售電子消費產品及相關配件之經營分部。本集團之可報告分部為提供不同產品之策略業務單位。由於各業務須應用不同技術及市場策略，故可報告分部乃分開管理。

經營分部之會計政與此等財務報表附註4所述者相同。分部溢利或虧損不包括股息收入、利息收入、取消一家清盤附屬公司綜合入賬之收益、債務重組之收益、融資成本、所得稅以及未分配公司收入及開支。分部資產不包括應收一家計劃附屬公司款項、稅項資產、現金及銀行結存以及其他未分配公司資產。分部負債不包括借貸、應付董事款項、稅項負債及未分配公司負債。分部非流動資產不包括金融工具及稅項資產。

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7. SEGMENT INFORMATION (continued)

Information about the manufacture, processing and sale of electronic consumer products and related components segment profit or loss, assets and liabilities:

7. 分部資料(續)

有關製造、加工及銷售電子消費產品及相關配件之分部溢利或虧損、資產及負債之資料：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Year ended 31 March	截至三月三十一日止年度		
Revenue from external customers	來自外界客戶之收益	77,394	486,237
Segment losses	分部虧損	39,037	783,180
Interest revenue	利息收入	5	71
Interest expense	利息支出	33,135	22,454
Other material items of income:	其他重大收入項目：		
– Gains on equity investments at fair value through profit or loss	– 按公平值計入損益之股本投資之收益	–	1,094
Depreciation and amortisation	折舊及攤銷	17,886	46,848
Income tax	所得稅	–	14,982
Other material non-cash item:	其他重大非現金項目：		
– Provision against inventories	– 存貨撥備	2,516	270,945
– Loss on auctions of sequestered inventories	– 拍賣被扣押存貨之虧損	–	156,000
Additions to segment non-current assets	添置分部非流動資產	2,081	23,687
At 31 March	於三月三十一日		
Segment assets	分部資產	246,338	404,039
Segment liabilities	分部負債	31,767	401,450

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7. SEGMENT INFORMATION (continued)

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

7. 分部資料(續)

可報告分部收益、溢利及虧損、資產及負債之對賬：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Revenue	收益		
Total turnover of the reportable segment disclosed as consolidated turnover	以綜合營業額形式披露之可報告分部總營業額	77,394	486,237
Profit or loss	溢利或虧損		
Total loss of reportable segments	可報告分部虧損總額	(39,037)	(783,180)
Gain on deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬之收益	243,503	-
Gain on debt restructuring	債務重組之收益	217,108	-
Corporate and unallocated profit and loss	公司及未分配溢利及虧損	(33,130)	(7,234)
Consolidated profit/(loss)	綜合溢利/(虧損)	388,444	(790,414)

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Assets	資產		
Total assets of reportable segments	可報告分部資產總值	246,338	404,039
Due from a scheme subsidiary	應收一家計劃附屬公司款項	122,055	-
Current tax assets	即期稅項資產	-	1,919
Cash and bank balances	現金及銀行結存	8,927	30,176
Corporate and unallocated assets	公司及未分配資產	100	-
Consolidated total assets	綜合資產總值	377,420	436,134
Liabilities	負債		
Total liabilities of reportable segments	可報告分部負債總額	31,767	401,450
Borrowings	借貸	268,520	408,707
Finance lease payables	應付融資租賃	-	3,387
Current tax liabilities	即期稅項負債	258	13,785
Deferred tax liabilities	遞延稅項負債	15,844	31,477
Corporate and unallocated liabilities	公司及未分配負債	2,516	638
Consolidated total liabilities	綜合負債總額	318,905	859,444

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7. SEGMENT INFORMATION (continued)

Geographical information:

		Revenue 收益	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Greater China	大中華區	46,299	287,693
Americas	美洲	–	128,545
Dubai	杜拜	7,839	–
Europe	歐洲	–	67,663
Philippines	菲律賓	23,256	–
Others	其他	–	2,336
Consolidated total	綜合總計	77,394	486,237

In presenting the geographical information, revenue is based on the locations of the customers. At the end of the reporting period, all non-current assets of the Group were located in the Greater China.

呈列地區資料時，收益乃按客戶所在地劃分。於報告期間結算日，本集團所有非流動資產均位於大中華區。

8. TURNOVER

The Group's turnover which represents manufacture, sales of goods to customers and revenue from processing service fees are as follows:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Manufacture and sales of electronic consumer products and related components	製造及銷售電子消費產品及相關配件	76,383	486,237
Service fees from processing of electronic consumer products and related components	加工電子消費產品及相關配件之服務費	1,011	–
		77,394	486,237

7. 分部資料(續)

地區資料：

8. 營業額

本集團營業額(指製造及向客戶銷售商品以及來自加工服務費之收益)如下：

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9. OTHER INCOME

The Group's other income is analysed as follows:

9. 其他收入

本集團其他收入分析如下：

		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank interest income	銀行利息收入	5	71
Dividend income from listed investments	來自上市投資之股息收入	–	167
Rental income	租金收入	284	–
Bad debts recovered	壞賬收回	3,756	–
Sundry income	雜項收入	545	5,437
		4,590	5,675

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10. GAIN ON DECONSOLIDATION OF A LIQUIDATING SUBSIDIARY

As detailed in the Company's announcement dated 6 July 2010, a direct wholly-owned subsidiary of the Company, Tonic Electronics Limited ("TEL") was wound up by the High Court of Hong Kong. Messrs. Huen Ho Yin and Huen Yuen Fun have been appointed as the Joint and Several Provisional Liquidators of TEL by the official receiver on 30 June 2010. The Directors considered that the control over this subsidiary has been lost since then. The results, assets and liabilities, and cash flows of this subsidiary were deconsolidated from the consolidated financial statements of the Group with effect from 30 June 2010.

10. 取消一家清盤附屬公司綜合入賬之收益

誠如本公司日期為二零一零年七月六日之公佈所詳述，本公司一家直接全資擁有附屬公司東力電子有限公司（「東力電子」）遭香港高等法院清盤。Huen Ho Yin 及 Huen Yuen Fun 已於二零一零年六月三十日獲破產管理署署長委任為東力電子之共同及個別臨時清盤人。董事認為，自此失去該附屬公司之控制權。該附屬公司之業績、資產及負債以及現金流量取消於本集團綜合財務報表綜合入賬，自二零一零年六月三十日起生效。

		HK\$'000 港幣千元
Net liabilities of the subsidiary deconsolidated on 30 June 2010 were as follows:	於二零一零年六月三十日取消綜合入賬附屬公司之負債淨額如下：	
Property, plant and equipment	物業、廠房及設備	26,626
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	87
Current tax assets	即期稅項資產	1,919
Cash and bank balances	現金及銀行結存	131
Accounts payables	應付賬款	(153,377)
Accruals and other payables	應計負債及其他應付款項	(22,578)
Amounts due to the Group	應付本集團款項	(140,184)
Borrowings	借貸	(92,197)
Deferred tax liabilities	遞延稅項負債	(4,114)
Net liabilities of the deconsolidated subsidiary	已取消綜合入賬附屬公司之負債淨額	(383,687)
Impairment of amounts due from the deconsolidated subsidiary	應收已取消綜合入賬附屬公司之款項減值	140,184
Gain on deconsolidation of the liquidating subsidiary	取消清盤附屬公司綜合入賬之收益	(243,503)
Net cash inflow on deconsolidation of a liquidating subsidiary is set out below:	取消一家清盤附屬公司綜合入賬之現金流入淨額載列如下：	
		HK\$'000 港幣千元
Cash and cash equivalent balances deconsolidated:	取消綜合入賬之現金及等同現金項目餘額：	
Cash and bank balances	現金及銀行結存	(131)
Bank overdrafts	銀行透支	8,099
		7,968

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11. GAIN ON DEBT RESTRUCTURING

The Restructuring was completed on the Effective Date. In order to reorganise the Group and to facilitate the implementation of the Creditor Scheme, the Scheme Subsidiaries were transferred to the Administrators of the Creditor Scheme. The Group has ceased to control the Scheme Subsidiaries after the transfer. The particulars of subsidiaries transferred to the Administrators are set out in note 20. On the Effective Date, the results, assets and liabilities, and cash flows of the Scheme Subsidiaries were derecognised from the Group.

11. 債務重組之收益

重組已於生效日期完成。為重組本集團及協助落實債權人計劃，計劃附屬公司已轉讓予債權人計劃之管理人。轉讓後，本集團終止控制計劃附屬公司。轉讓予管理人之附屬公司詳情載於附註20。於生效日期，計劃附屬公司之業績、資產及負債以及現金流量自本集團終止確認。

	<i>Notes</i> <i>附註</i>	HK\$'000 港幣千元
Net liabilities of Scheme Subsidiaries derecognised on the Effective Date were as follows:	於生效日期已終止確認計劃附屬公司之負債淨額如下：	
Property, plant and equipment	物業、廠房及設備	180,161
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	17
Cash and bank balances	現金及銀行結存	724
Accounts payables	應付賬款	(163,971)
Accruals and other payables	應計負債及其他應付款項	(49,111)
Borrowings	借貸	(94,428)
Current tax liabilities	即期稅項負債	(13,452)
Deferred tax liabilities	遞延稅項負債	(20,711)
Net liabilities of Scheme Subsidiaries derecognised	已終止確認計劃附屬公司之負債淨額	(160,771)
Less: Release of the related foreign currency translation reserves	減：解除相關外幣換算儲備	(18,931)
Proceeds from the issuance of shares transferred to the Administrators	向管理人轉讓發行股份所得款項	(a) 80,000
Debt restructuring costs in form of remuneration shares issued to the financial advisors	以向財務顧問發行酬金股份形式之債務重組成本	(b) 4,649
Amounts recoverable from a scheme subsidiary	可自一家計劃附屬公司收回之金額	(c) (122,055)
Gain on debt restructuring	債務重組之收益	(217,108)

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11. GAIN ON DEBT RESTRUCTURING (continued)

Net cash inflow on debt restructuring is set out below:

11. 債務重組之收益(續)

債務重組之現金流入淨額載列如下：

		HK\$'000 港幣千元
Cash and cash equivalent balances derecognised:	終止確認之現金及等同現金項目餘額：	
Cash and bank balances	現金及銀行結存	(724)
Bank overdrafts	銀行透支	19,298
		18,574

(a) On the Effective Date, 909,785,366 Subscription Shares with a par value of HK\$0.01 each at a price of approximately HK\$0.0879 per Subscription Share were issued and allotted to a new investor, Skill China Limited, for the cash consideration of HK\$80 million. Based on the Creditor Scheme, all proceeds from the issuance of the Subscription Shares was made available to the Administrators to settle and discharge the Claims under the Creditor Scheme.

(a) 於生效日期，已按每股認購股份約港幣0.0879元之價格向一名新投資者華能有限公司發行及配發909,785,366股每股面值港幣0.01元之認購股份，現金代價為港幣80,000,000元。根據債權人計劃，發行認購股份所有所得款項供管理人用作償付及釋除債權人計劃項下申索。

(b) On the Effective Date, 52,894,498 Remuneration Shares with a par value of HK\$0.01 each at a price of approximately HK\$0.0879 per Remuneration Share were issued and allotted to two financial advisors in settlement of professional fees of approximately HK\$4,649,000 attributable to the Company in relation to the Restructuring. As the fair value of these professional advisory services in relation to the Restructuring cannot be estimated reliably, such services received by the Group were measured by reference to the fair value of the share issued in settlement of the relevant professional fees, in form of the equity-settled share-based payments, measured at the Effective Date the counterparties render services.

(b) 於生效日期，已按每股酬金股份約港幣0.0879元之價格向兩名財務顧問發行及配發52,894,498股每股面值港幣0.01元之酬金股份，以償付本公司就重組應佔港幣約4,649,000元之專業費用。由於該等有關重組之專業顧問服務之公平值無法可靠估計，本集團獲取之該等服務參考就償付有關專業費用所發行股份之公平值以權益結算以股份付款之形式於生效日期對方提供服務時計量。

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11. GAIN ON DEBT RESTRUCTURING (continued)

(c) During the year, an indirect wholly-owned subsidiary of the Company, Xin Lian Digital Technology Company Limited, borrowed bank and other loans (collectively the "Xin Lian Loans") with the aggregate principal amounts of approximately RMB103,000,000 (equivalent to approximately HK\$122,055,000) at the end of the reporting period in repayment of the equivalent amounts of bank and other loans of a scheme subsidiary (the "Scheme Subsidiary"), Dongguan Tonic Electronics Limited. The Xin Lian Loans were pledged by the leasehold land and buildings (the "pledged properties") held by the Scheme Subsidiary with an estimated market value of approximately RMB145,000,000 (approximately HK\$171,825,000) and equipment and tools of an indirect wholly-owned subsidiary of the Company with the aggregate carrying amounts of approximately HK\$14,199,000 at the end of the reporting period. Under the Xin Lian Loans arrangement, it is expected that the repayment of the Xin Lian Loans will be satisfied by the proceeds from the subsequent disposal of the pledged properties to recover the corresponding amounts due from the Scheme Subsidiary.

11. 債務重組之收益(續)

(c) 年內，本公司一家間接全資附屬公司鑫聯數碼科技有限公司借入銀行及其他貸款(統稱「鑫聯貸款」)，於報告期間結算日本金總額約為人民幣103,000,000元(約相當於港幣122,055,000元)，以償還一家計劃附屬公司(「計劃附屬公司」)東莞東力電子有限公司之等額銀行及其他貸款。鑫聯貸款以計劃附屬公司所持估計市值約為人民幣145,000,000元(約港幣171,825,000元)之租賃土地及樓宇(「抵押物業」)及於報告期間結算日，本公司一家間接全資附屬公司賬面總值約港幣14,199,000元之設備及工具作抵押。根據鑫聯貸款安排，預期將透過其後出售抵押物業之所得款項償付鑫聯貸款以抵銷從計劃附屬公司可收回相應款項。

12. FINANCE COSTS

12. 融資成本

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Interest on borrowings wholly repayable within five years:	須於五年內全數償還 借貸之利息：		
Bank and other borrowings	銀行及其他借貸	32,224	22,337
Loans from the ultimate holding company	來自最終控股公司之貸款	800	-
Finance leases	融資租賃	111	117
		33,135	22,454

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13. INCOME TAX

13. 所得稅

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Current – Hong Kong:	即期－香港：		
Overprovision in prior year	過往年度超額撥備	–	(904)
Current – Mainland China:	即期－中國內地：		
Charge for the year	本年度費用	–	410
Deferred tax (note 31)	遞延稅項(附註31)	–	(14,488)
		–	(14,982)

Neither Hong Kong Profits Tax nor the PRC Enterprise Income Tax has been provided, since the Group has no assessable profit for the year. During the prior year, tax charge on profits assessable in the PRC was calculated at the rates of tax prevailing in the PRC, based on existing legislation, interpretation and practices in respect thereof.

The IRD had initiated tax queries to an indirect wholly-owned subsidiary of the Company for the years of assessment from 2005/2006 to 2008/2009. The management is of the opinion that, in all the relevant years, adequate Hong Kong tax provisions were made on the Hong Kong sourced income. Since the tax queries are still at a fact-finding stage, the outcome of the tax queries cannot be readily ascertained. Should the Group be unable to provide sufficient documentation information in response to the tax queries from the IRD and in case where the tax charged by the IRD are different from the estimated amounts, the Group would have to pay an additional Hong Kong Profits Tax for the years of assessment 2005/2006 to 2008/2009.

由於本集團於年內並無應課稅溢利，故無須繳納香港利得稅或中國企業所得稅。於過往年度，中國應課稅溢利稅項費用乃按中國現行稅率根據相關現行法例、詮釋及慣例計算。

稅務局就二零零五／二零零六年至二零零八／二零零九年評稅年度向本公司一家間接全資附屬公司提出稅務質詢。管理層認為已於所有相關年度就源自香港之收入作出足夠香港稅項撥備。鑑於有關稅務質詢尚處於搜證階段，故尚未能確定其結果。倘本集團未能就來自稅務局稅務質詢提供充足之文檔資料及倘若稅務局所收取之稅項與估計金額有別，本集團須就二零零五／二零零六年至二零零八／二零零九年評稅年度支付額外香港利得稅。

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13. INCOME TAX (continued)

The reconciliation between the income tax and the profit/(loss) before tax multiplied by the Hong Kong profits tax rate is as follows:

13. 所得稅(續)

所得稅與除稅前溢利/(虧損)乘以香港利得稅稅率所得之對賬如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Profit/(loss) before tax:	除稅前溢利/(虧損)：	388,444	(805,396)
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	按16.5%(二零一零年：16.5%)本地所得稅稅率計算之稅項	64,093	(132,891)
Effect of different tax rates of subsidiaries	附屬公司不同稅率之影響	(12,069)	(26,406)
Adjustments in respect of current tax of previous year	就過往年度即期稅項作出調整	-	(904)
Income not subject to tax	毋須課稅收入	(94,124)	(226)
Expenses not deductible for tax	不可扣稅支出	37,587	103,977
Tax losses utilised from previous periods	動用過往期間之稅項虧損	(912)	(300)
Tax losses not recognised	未確認之稅項虧損	5,425	41,492
Others	其他	-	276
Tax at the Group's effective rate	按本集團實際稅率計算之稅項	-	(14,982)

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14. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging/(crediting) the following:

14. 本年度溢利／(虧損)

本集團之本年度溢利／(虧損)已扣除／(計入)以下各項後列賬：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Cost of inventories sold	已售存貨成本	75,007	522,321
Provision against inventories	存貨撥備	2,516	270,945
Loss on auctions of sequestrated inventories#	拍賣被扣押存貨之虧損#	-	156,000
Gains on derivative financial instruments, net	衍生金融工具收益，淨額	-	(464)
Depreciation on property, plant and equipment	物業、廠房及設備折舊	17,886	41,216
Amortisation of software development costs*	軟件開發成本攤銷*	-	55
Research and development costs:	研究及開發成本：		
Amortisation of deferred development costs*	遞延開發成本攤銷*	-	5,577
Current year expenditure	本年度開支	-	123
		-	5,700
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租賃之最低租賃款項	639	524
Auditors' remuneration	核數師酬金	713	570
Employee benefits expense (including directors' remuneration – note 15):	員工福利開支(包括董事酬金—附註15)：		
Wages, salaries and allowances	工資、薪金及津貼	16,550	79,828
Pension scheme contributions	退休金計劃供款	253	819
		16,803	80,647
Provision for impairment of assets:	資產減值撥備：		
Impairment of items of property, plant and equipment	物業、廠房及設備項目減值	2,070	156,268
Impairment of deposits for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之按金減值	-	53
Impairment of intangible assets	無形資產減值	-	4,713
Impairment of accounts receivables	應收賬款減值	-	32,710
Impairment of factored accounts receivables	應收保付代理賬款減值	-	19,691
Impairment of deposits and other receivables	按金及其他應收款項減值	211	10,799
Impairment of prepaid land lease payments	預付土地租賃款項減值	-	598
		2,281	224,832
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	-	43,083

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14. PROFIT/(LOSS) FOR THE YEAR

(continued)

- * The amortisation of software development costs and the deferred development costs for the prior year were included in "Selling expenses and distribution costs" and "Cost of sales", respectively, on the face of the consolidated income statement.
- ** The Group had no forfeited contributions available to offset its future employers' contributions during the year.
- # Further details of the auctions are stated in note 19 to these financial statements.

14. 本年度溢利／(虧損)(續)

- * 過往年度之軟件開發成本及遞延開發成本攤銷已分別計入綜合收益表之「銷售支出及分銷成本」及「銷售成本」。
- ** 年內，本集團並無沒收供款可供日後抵銷本集團之僱主供款。
- # 有關拍賣之進一步詳情列於此等財務報表附註19。

15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

15. 董事及五位最高薪僱員之薪酬

Name of Directors	董事姓名	Salaries, allowances and benefits in kind			Pension scheme contribution	Total emoluments
		Fees 袍金 HK\$'000 港幣千元	津貼及 實物福利 HK\$'000 港幣千元	退休金 計劃供款 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive directors: 執行董事：						
Dr. So Shu Fai (i)	蘇樹輝博士(i)	-	92	4	96	
Mr. Mak Bing Kau (i)	麥炳球先生(i)	-	61	3	64	
Mr. Ng Wai Hung (i)	伍偉雄先生(i)	-	61	3	64	
Mr. Lau Cheuk Lun (i)	劉卓麟先生(i)	-	165	4	169	
Mr. Ling Siu Man, Simon (ii)	凌少文先生(ii)	-	1,149	19	1,168	
Mr. Wong Ki Cheung (ii)	黃其昌先生(ii)	-	1,166	12	1,178	
Ms. Li Fung Ching, Catherine (ii)	李鳳貞女士(ii)	-	1,166	12	1,178	
Independent non-executive directors: 獨立非執行董事：						
Mr. Pang Hon Chung	彭漢中先生	107	-	-	107	
Mr. Cheng Tsang Wai	鄭曾偉先生	106	-	-	106	
Mr. Chung Hing Wah, Paul	鍾慶華博士	88	-	-	88	
Total for the year ended 31 March 2011 二零一一年三月三十一日止年度總計		301	3,860	57	4,218	

(i): Appointed as a director on 11 December 2010

(i): 於二零一零年十二月十一日獲委任為董事

(ii): Resigned as a director on 1 January 2011

(ii): 於二零一一年一月一日辭任董事

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15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

15. 董事及五位最高薪僱員之薪酬 (續)

Name of Directors	董事姓名	Salaries, allowances and benefits in kind			Pension scheme	Total emoluments
		Fees	薪金、津貼及袍金	實物福利	退休金計劃供款	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	港幣千元
Executive directors:		執行董事：				
Mr. Ling Siu Man, Simon	凌少文先生	–	2,997	120		3,117
Mr. Wong Ki Cheung	黃其昌先生	–	1,588	79		1,667
Ms. Li Fung Ching, Catherine	李鳳貞女士	–	1,588	79		1,667
Mr. Lam Kwai Wah (Resigned on 12 January 2010)	林桂華先生 (於二零一零年一月十二日辭任)	–	1,110	6		1,116
Independent non-executive directors:		獨立非執行董事：				
Mr. Pang Hon Chung	彭漢中先生	86	–	–		86
Mr. Cheng Tsang Wai	鄭曾偉先生	85	–	–		85
Mr. Chung Hing Wah, Paul	鍾慶華博士	70	–	–		70
Total for the year ended 31 March 2010	二零一零年三月三十一日止年度總計	241	7,283	284		7,808

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15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

The Group's five highest paid individuals during the year included three ex-directors (2010: four directors). Details of the emoluments of the Directors are reflected in the analysis presented above. The emoluments of three ex-directors and the remaining two (2010: one) individuals for the year are set out below:

15. 董事及五位最高薪僱員之薪酬 (續)

年內本集團五位最高薪人士包括三名前董事(二零一零年：四位董事)。董事酬金詳情於上文所呈列分析反映。三位前董事及餘下兩位(二零一零年：一位)人士於該年度之酬金載列如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Salaries and allowances, and pension scheme contributions, as the Director disclosed above	上文所披露董事之薪金、津貼及退休金計劃供款	3,524	–
Salaries and allowances, as employee	僱員薪金及津貼	2,134	706
Pension scheme contributions, as employee	僱員退休金計劃供款	27	8
		5,685	714

There was no arrangement under which a director waived or agreed to waive any remuneration during the two years ended 31 March 2011 and 2010.

截至二零一一年及二零一零年三月三十一日止兩個年度內並無任何董事放棄或同意放棄任何酬金之安排。

The emoluments of the highest paid individuals (other than the Directors as disclosed above) are fell within the following bands:

最高薪人士之薪酬(上文所披露董事除外)介乎以下範圍：

		Number of individuals 人士數目	
		2011 二零一一年	2010 二零一零年
HK\$ Nil – HK\$1,000,000	港幣零元至港幣1,000,000元	2	1
HK\$1,500,001–HK\$2,000,000	港幣1,500,001元至港幣2,000,000元	3	–
		5	1

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16. DIVIDEND

No dividend has been proposed or declared by the Company during the two years ended 31 March 2011 and 2010.

17. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of the Company of approximately HK\$388,444,000 (2010: a loss of approximately HK\$790,414,000) and the weighted average number of ordinary shares of 419,649,007 (2010: 105,788,996, as restated) in issue during the year calculated as adjusted to reflect the share consolidation during the year.

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is presented as there were no potential dilutive ordinary shares outstanding for both years.

18. PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit/(loss) attributable to equity holders of the Company included a profit of approximately HK\$68,158,000 (2010: a loss of approximately HK\$428,402,000) for the year, which has been dealt with in the financial statements of the Company.

16. 股息

本公司並無就截至二零一一年及二零一零年三月三十一日止兩個年度建議派付或宣派任何股息。

17. 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股盈利／(虧損)乃根據本公司權益持有人應佔溢利約港幣388,444,000元(二零一零年：虧損約港幣790,414,000元)及年內已發行普通股之經調整加權平均數419,649,007股(二零一零年：105,788,996股，經重列)計算，以反映年內之股份合併。

(b) 每股攤薄盈利／(虧損)

鑑於本公司於兩個年度均無任何潛在攤薄普通股，故並無呈列每股攤薄盈利／(虧損)。

18. 本公司權益持有人應佔本年度溢利／(虧損)

本公司權益持有人應佔綜合溢利／(虧損)包括本年度溢利約港幣68,158,000元(二零一零年：虧損約港幣428,402,000元)，已於本公司財務報表內處理。

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19. PROPERTY, PLANT AND EQUIPMENT Group

19. 物業、廠房及設備本集團

		Leasehold lands 租賃土地 HK\$'000 港幣千元	Leasehold buildings 租賃樓宇 HK\$'000 港幣千元	Furniture, fixtures and leasehold improvement 傢俬、裝置及租賃物業裝修 HK\$'000 港幣千元	Equipment and tools 設備及工具 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
31 March 2011	二零一一年三月三十一日						
At 1 April 2010, net of accumulated depreciation and impairments, as restated	於二零一零年四月一日，已扣除累計折舊及減值，經重列	35,032	291,830	22,400	51,049	496	400,807
Additions	添置	-	-	1,009	1,072	-	2,081
Surplus on revaluation	重估盈餘	-	35,561	-	-	-	35,561
Depreciation provided during the year	年內提撥之折舊	(629)	(11,095)	(2,092)	(4,057)	(13)	(17,886)
Deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬	(6,537)	(4,742)	(1,846)	(13,166)	(335)	(26,626)
Deconsolidation of scheme subsidiaries	取消計劃附屬公司綜合入賬	(11,813)	(168,348)	-	-	-	(180,161)
Impairments	減值	-	-	-	(1,922)	(148)	(2,070)
Exchange differences	匯兌差額	1,482	11,776	896	1,551	-	15,705
At 31 March 2011, net of accumulated depreciation and impairments	於二零一一年三月三十一日，已扣除累計折舊及減值	17,535	154,982	20,367	34,527	-	227,411
At 31 March 2011	於二零一一年三月三十一日						
Cost or valuation	成本或估值	19,687	154,982	38,403	65,413	-	278,485
Accumulated depreciation and impairments	累計折舊及減值	(2,152)	-	(18,036)	(30,886)	-	(51,074)
Net carrying amount	賬面淨值	17,535	154,982	20,367	34,527	-	227,411
Analysis of cost or valuation	成本或估值分析						
At cost	按成本值	19,687	-	38,403	65,413	-	123,503
At valuation	按估值	-	154,982	-	-	-	154,982
		19,687	154,982	38,403	65,413	-	278,485

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19. PROPERTY, PLANT AND EQUIPMENT 19. 物業、廠房及設備(續)

(continued)

Group

本集團

		Leasehold lands	Leasehold buildings	Construction in progress	Furniture, fixtures and leasehold improvement	Equipment and tools	Motor vehicles	Moulds	Total
		租賃土地	租賃樓宇	在建工程	傢俬、裝置及 租賃物業裝修	設備及工具	汽車	模具	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2010	二零一零年三月三十一日								
At 1 April 2009, net of accumulated depreciation and impairments, as restated	於二零零九年四月一日，已扣除累計折舊及減值，經重列	42,000	332,832	92,027	69,350	149,413	862	16,816	703,300
Additions	添置	-	-	-	11,828	400	-	11,459	23,687
Disposals	出售	(5,622)	(3,840)	-	(11,769)	(78,477)	(15)	(1,150)	(100,873)
Impairments	減值	(598)	-	(89,397)	(39,778)	(7,120)	(228)	(19,745)	(156,866)
Deficit on revaluation	重估虧絀	-	(27,384)	-	-	-	-	-	(27,384)
Depreciation provided during the year	年內提撥之折舊	(764)	(12,520)	-	(7,259)	(13,170)	(123)	(7,380)	(41,216)
Transfers	轉撥	-	2,654	(2,654)	-	-	-	-	-
Exchange differences	匯兌差額	16	88	24	28	3	-	-	159
At 31 March 2010, net of accumulated depreciation and impairments, as restated	於二零一零年三月三十一日，已扣除累計折舊及減值，經重列	35,032	291,830	-	22,400	51,049	496	-	400,807
At 31 March 2010	於二零一零年三月三十一日								
Cost or valuation	成本或估值	44,291	291,830	-	52,287	92,584	6,152	-	487,144
Accumulated depreciation and impairments	累計折舊及減值	(9,259)	-	-	(29,887)	(41,535)	(5,656)	-	(86,337)
Net carrying amount, as restated	賬面淨值，經重列	35,032	291,830	-	22,400	51,049	496	-	400,807
Analysis of cost or valuation, as restated	成本或估值分析，經重列								
At cost	按成本值	44,291	-	-	52,287	92,584	6,152	-	195,314
At valuation	按估值	-	291,830	-	-	-	-	-	291,830
		44,291	291,830	-	52,287	92,584	6,152	-	487,144

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

The recoverable amount of impaired asset is estimated in order to determine the extent of any impairment loss on property, plant and equipments ("PPE"). The recoverable amount of the PPE is the higher of its estimated fair value less cost to sell and value in use. During the prior year, as there are uncertainties relating to the implementation of the future business and production plan of the Group pursuant to the proposed restructuring, the Directors considered that it is more appropriate to determine the recoverable amounts on the basis of their estimated fair values less cost to sell. The fair values of the Group's PPE have been estimated by reference to market evidence of recent transactions for similar assets. The impairment loss is recognised and charged to income statement in the period in which it arises to the extent that the carrying amount exceeds its recoverable amount.

During the current year, upon completion of the Restructuring, the Directors considered that it is more appropriate to determine the recoverable amounts of the PPE on the basis of the higher of its estimated fair value less cost to sell and values in use. Impairment losses recognised in respect of the PPE in the year amounted to approximately HK\$2,081,000 that has been recognised in profit or loss. These losses were attributable to greater than anticipated obsolescence.

During the prior year, the Group had experienced rapid and continuing deterioration in its business due to the drastic decline in turnover, customers' purchase orders, production scale and customer confidence as a consequence of the global financial turmoil. With a view to further reduce costs and to mitigate the loss-making position of the Group, the Group had suspended and closed down its remaining operations of the manufacturing plants in Qi Shi Town and Tangxia Town, Dongguan, PRC. In light of the changes in economic conditions, the Directors considered that certain items of the PPE of the Group, with the carrying amounts of HK\$156,268,000, were impaired, and the resultant impairment losses with the equivalent amounts were recognised and charged to the consolidated income statement for the year ended 31 March 2010.

19. 物業、廠房及設備(續)

已減值資產會估計可收回金額，以釐定物業、廠房及設備(「物業、廠房及設備」)之任何減值虧損程度。物業、廠房及設備可收回金額為其估計公平值減出售成本與使用值之較高者。於過往年度，由於就日後執行本集團根據重組建議之業務及生產計劃存在不確定因素，董事認為按其估計公平值減出售成本之基準釐定可收回金額較為適合。本集團物業、廠房及設備之公平值乃參照近期類似資產交易之市場證據而作出估計。倘賬面值高於其可收回金額，則會確認減值虧損及於所產生期內收益表中扣除。

於本年度，重組完成後，董事認為，按估計公平值減出售成本與使用值之較高者釐定物業、廠房及設備之可收回金額較為合適。年內就物業、廠房及設備確認之減值虧損約港幣2,081,000元已於損益確認。該等虧損乃由於耗損情況較預期大。

於往年度，受全球金融海嘯所影響，營業額、客戶訂單、生產規模及客戶信心顯著下跌，本集團業務急速及持續轉壞。為進一步削減成本及改善本集團虧損狀況，本集團暫停及關閉其於中國東莞企石鎮及塘廈鎮生產廠房之餘下業務。鑑於經濟狀況有變，董事認為本集團賬面值為港幣156,268,000元之若干物業、廠房及設備項目已減值，而得出之等額減值虧損已於截至二零一零年三月三十一日止年度確認及自綜合收益表扣除。

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財務報表附註

For the year ended 31 March 2011
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19. PROPERTY, PLANT AND EQUIPMENT (continued)

Due to the adverse impact of the down-sizing of the operations and the resultant immense pressure on the cash flow of the Group, the Group had delayed salary payments to certain of its workers and staff during the year ended 31 March 2010. In November 2009, actions had been taken by 東莞市塘廈鎮石潭埔社區居民委員會 (“Dongguan Tangxia Town Shitanpu Community Residents’ Committee”*) and 東莞市塘廈鎮石潭埔勞動服務站 (“Dongguan Tangxia Town Shitanpu Labour Service Station”*) to sequester certain of the Group’s assets (collectively “Sequestered Assets”) located in the factory in Tangxia (“Tangxia Factory”) with the carrying amounts of approximately HK\$21,048,000 for equipment and machines (which was included in the aggregate amounts of PPE disposals as disclosed above for the year) and approximately HK\$160,196,000 for inventories respectively.

The auctions of those Sequestered Assets had subsequently been held from 2 December 2009 to 13 December 2009. The proceeds of approximately HK\$15,876,000 for equipment and machines, and approximately HK\$4,196,000 for inventories from the auctions were fully utilised as partial settlement of the salary and compensation payables to the respective workers and staff working in the Tangxia Factory. The resultant losses of approximately HK\$161,172,000, in aggregate, on auctions of Sequestered Assets, approximately HK\$5,172,000 for equipment and machines, and approximately HK\$156,000,000 for inventories respectively, representing the difference between the net proceeds and the net carrying amounts of the Sequestered Assets, were recognised and charged to in the consolidated income statement for the year ended 31 March 2010.

19. 物業、廠房及設備(續)

由於本集團精簡營運架構及因而導致對現金流量造成沉重壓力之不利影響，本集團於截至二零一零年三月三十一日止年度拖欠若干工人及員工薪金。於二零零九年十一月，東莞市塘廈鎮石潭埔社區居民委員會及東莞市塘廈鎮石潭埔勞動服務站採取行動，扣押本集團若干位於塘廈廠房（「塘廈廠房」）賬面值分別約港幣21,048,000元之設備及機器（已計入上文所披露年內出售物業、廠房及設備總額）及約港幣160,196,000元之存貨之資產（統稱「已扣押資產」）。

該等已扣押資產之拍賣其後於二零零九年十二月二日至二零零九年十二月十三日舉行。拍賣所得款項分別約港幣15,876,000元（設備及機器）及約港幣4,196,000元（存貨），全數用於清償應付予於塘廈廠房工作之該廠工人及員工之部分薪金及賠償。拍賣已扣押資產所帶來的虧損合共約港幣161,172,000元（當中設備及機器以及存貨分別為約港幣5,172,000元及約港幣156,000,000元，相當於所得款項淨額與已扣押資產賬面淨值之差額）已於截至二零一零年三月三十一日止年度之綜合收益表中確認及扣除。

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財務報表附註

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

At the end of last reporting period, having regard to the changes in the market conditions and the existing use of the Group's leasehold lands, the Directors carried out a review on the recoverable amount of the Group's carrying amounts of leasehold lands at 31 March 2010. The recoverable amount of the leasehold lands had been determined on the basis of its estimated fair value less cost to sell. The review led to the recognition of an impairment loss of approximately HK\$598,000 that was recognised and charged to consolidated income statement for the year ended 31 March 2010.

The Group's leasehold lands and buildings were held under the following lease terms:

Held under medium term leases	以中期租約持有
– Hong Kong	– 香港
– Mainland China	– 中國內地

In determining the fair value of buildings, the valuers have utilised a method of valuation which involves certain estimates. The Directors have exercised their judgements and are satisfied that the method of valuation is reflective of the current market conditions. The Group's buildings were revalued at 31 March 2011 and 2010 by the independent professional valuers, Jones Lang LaSalle Sallmanns Limited, on an open market basis at approximately HK\$154,982,000 (2010: HK\$291,830,000), assuming all relevant title certificates which have been obtained and the buildings could be freely transferred. At the end of the reporting period, a revaluation surplus of approximately HK\$35,561,000 (2010: a deficit of approximately HK\$27,384,000) resulting from the above valuations have been dealt with as movement in the property revaluation reserve.

19. 物業、廠房及設備(續)

於報告期間結算日，考慮到市況變動及本集團租賃土地之現時運用，董事對本集團租賃土地於二零一零年三月三十一日賬面值之可收回金額進行審閱。租賃土地之可收回金額已按其估計公平值減出售成本釐定。審閱導致確認減值虧損約港幣598,000元，乃於截至二零一零年三月三十一日止年度之綜合收益表確認及扣除。

本集團租賃土地及樓宇按以下租期持有：

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
港幣千元	港幣千元
–	11,370
172,517	315,492
172,517	326,862

於釐定樓宇公平值時，估值師已運用涉及若干估計之估值方法。董事已作出判斷，並信納估值法可反映現行市況。於二零一一年及二零一零年三月三十一日，獨立專業估值師仲量聯行西門有限公司已按公開市場基準並假設所有相關業權證書已取得且樓宇可自由轉讓，對本集團樓宇作出重新估值約港幣154,982,000元(二零一零年：港幣291,830,000元)。於報告期間結算日，因上述估值產生重估盈餘約港幣35,561,000元(二零一零年：虧絀約港幣27,384,000元)，已於物業重估儲備中處理為變動。

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財務報表附註

For the year ended 31 March 2011
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19. PROPERTY, PLANT AND EQUIPMENT (continued)

At the end of the reporting period, had the whole class of the Group's buildings been carried at cost less accumulated depreciation, their carrying amounts would have been included in the financial statements at the carrying amount of approximately HK\$95,887,000 (2010: HK\$206,097,000).

At the end of the reporting period, the Group was in the process of obtaining the land use right and building ownership certificates in respect of the Group's certain lands and buildings located in the Mainland China with the carrying amounts of approximately HK\$17,535,000 (2010: HK\$16,700,000) and HK\$154,982,000 (2010: HK\$183,999,000), respectively.

At the end of the reporting period, certain of the Group's leasehold lands and buildings with the carrying amounts of approximately HK\$17,535,000 (2010: HK\$35,032,000) and HK\$154,982,000 (2010: HK\$226,631,000), respectively, were pledged to secure for certain bank and other borrowings of Group as further detailed in note 28 to these financial statements.

At the end of the reporting period, equipment and tools with the carrying amounts of approximately HK\$14,199,000 (2010: HK\$nil) were pledged to an independent third party to secure for other borrowing as further detailed in note 28 to these financial statements.

Included in the carrying amounts of equipment and tools at the end of the reporting period were assets held under finance leases with a carrying amount of approximately HK\$nil (2010: HK\$19,359,000).

* The English name is for identification purpose only

19. 物業、廠房及設備(續)

於報告期間結算日，倘本集團整個類別樓宇按成本減累計折舊入賬，則其賬面值應按賬面值約港幣95,887,000元(二零一零年：港幣206,097,000元)計入財務報表。

於報告期間結算日，本集團正就其位於中國內地賬面值分別約港幣17,535,000元(二零一零年：港幣16,700,000元)及港幣154,982,000元(二零一零年：港幣183,999,000元)之若干土地及樓宇，領取土地使用權及房屋所有權證。

於報告期間結算日，本集團賬面值分別約港幣17,535,000元(二零一零年：港幣35,032,000元)及港幣154,982,000元(二零一零年：港幣226,631,000元)之若干租賃土地及樓宇已抵押，以作為此等財務報表附註28所進一步詳述本集團若干銀行及其他借貸之抵押品。

於報告期間結算日，賬面值約港幣14,199,000元(二零一零年：港幣零元)之設備及工具已向獨立第三方抵押，以作為此等財務報表附註28所進一步詳述其他借貸之抵押品。

於報告期間結算日，設備及工具賬面值包括賬面值約為港幣零元(二零一零年：港幣19,359,000元)根據融資租賃持有之資產。

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20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		Company 本公司	
		2011 二零一一年	2010 二零一零年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted investments, at cost	非上市投資，按成本值	58,822	58,812
Less: Impairments	減：減值	(58,812)	(58,812)
		10	—

The balances with subsidiaries were unsecured, interest-free and had no fixed term of repayment.

附屬公司結餘乃無抵押、免息且無固定還款期。

Particulars of the Company's subsidiaries are as follows:

本公司附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operation 註冊成立／登記 及營業地點	Nominal value of issued/registered/ paid-up capital 已發行／註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔股權百分比		Principal activities 主要業務
			2011 二零一一年 %	2010 二零一零年 %	

Directly held:

直接持有：

Champion Apex Limited 華先有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	100	Trading of electronic consumer products and related components 買賣電子消費產品及 相關配件
Grand Golden Profit Limited 創金利有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	100	Inactive 暫無業務
Tonic Electronics (B.V.I.) Limited	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	HK\$1 港幣1元	100	100	Investment holding 投資控股

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20. INVESTMENTS IN SUBSIDIARIES (continued)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/registered/ paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔股權百分比		Principal activities 主要業務
			2011 二零一一年 %	2010 二零一零年 %	
Indirectly held: 間接持有：					
東莞鑫聯數碼科技有限公司* (Dongguan Xin Lian Digital Technology Co., Ltd.**)	PRC 中國	RMB56,730,488 人民幣56,730,488元	100	100	Manufacture, processing, and sale of electronic consumer products and related components 製造、加工及銷售電子消 費產品及相關配件
東莞悅金數碼科技有限公司* (Dongguan Yuejin Digital Technology Co., Ltd.**)	PRC 中國	US\$700,000 700,000美元	100	–	Dormant 暫無業務
冠華港貿易(深圳)有限公司** (Guan Hua Gang Trading (Shenzhen) Co., Ltd.**)	PRC 中國	RMB506,462 人民幣506,462元	100	–	Dormant 暫無業務
Tonic DVB Marketing Limited	BVI/PRC 英屬處女群島/ 中國	US\$0.01 0.01美元	100	100	Dormant 暫無業務
Tonic Marketing Limited	BVI 英屬處女群島	US\$0.01 0.01美元	100	100	Investment holding 投資控股

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20. INVESTMENTS IN SUBSIDIARIES (continued)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/registered/ paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔股權百分比		Principal activities 主要業務
			2011 二零一一年 %	2010 二零一零年 %	

Particulars of Scheme

Subsidiaries are as follows:

計劃附屬公司之詳情如下：

Agility Investments Limited 英屬處女群島	BVI	US\$1 1美元	-	100	Inactive 暫無業務
Tonic Technology Limited 東力科技有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	-	100	In liquidation 清盤中
東莞金萊電子有限公司# (Dongguan Gold Beam Electronics Co., Ltd.**)	PRC 中國	HK\$24,527,340 港幣24,527,340元	-	100	Inactive 暫無業務
東莞東力電子有限公司# (Dongguan Tonic Electronic Co., Ltd.**)	PRC 中國	HK\$90,299,051 港幣90,299,051元	-	100	Inactive 暫無業務
東莞市錦聯科技制品有限公司# (Dongguan Jin Lian Technology Products Ltd.**)	PRC 中國	RMB500,000 人民幣500,000元	-	100	Inactive 暫無業務
Gold Beam Developments Limited 金萊發展有限公司	Hong Kong 香港	HK\$2 港幣2元	-	100	In liquidation 清盤中
Panatone Licensing Limited	BVI 英屬處女群島	US\$1 1美元	-	100	Inactive 暫無業務
Tonic Centerus Wind Energy (Holdings) Limited 東力生泰時風能(控股)有限公司	BVI 英屬處女群島	US\$200 200美元	-	100	Inactive 暫無業務
Tonic Digital Products Limited 東力數碼產品有限公司	Hong Kong 香港	HK\$100 港幣100元	-	100	In liquidation 清盤中

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20. INVESTMENTS IN SUBSIDIARIES (continued)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/registered/ paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔股權百分比		Principal activities 主要業務
			2011 二零一一年 %	2010 二零一零年 %	
Tonic Electronics Limited 東力電子有限公司	Hong Kong 香港	Ordinary HK\$200 Non-voting deferred HK\$300,000** 普通股港幣200元無 投票權遞延股港幣 300,000元**	-	100	In liquidation 清盤中
Tonic Enterprises Limited	BVI 英屬處女群島	US\$1 1美元	-	100	Inactive 暫無業務
Tonic International Limited	BVI/PRC 英屬處女群島/ 中國	HK\$0.01 港幣0.01元	-	100	Inactive 暫無業務
Tonic International Investment Limited 東力國際投資有限公司	BVI 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Tonic Investment (B.V.I.) Limited	BVI 英屬處女群島	HK\$0.01 港幣0.01元	-	100	Investment holding 投資控股
東力科技(深圳)有限公司# (Tonic Technology (Shenzhen) Ltd.**)	PRC 中國	RMB15,400,000 人民幣15,400,000元	-	100	Inactive 暫無業務
Tonic Trading Development Limited 東力商務發展有限公司	Hong Kong 香港	HK\$100 港幣100元	-	100	In liquidation 清盤中
Tonic Venture Capital Limited 東力創業投資有限公司	Hong Kong 香港	HK\$1,000,000 港幣1,000,000元	-	100	Investment holding 投資控股
TA Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	-	100	Inactive 暫無業務
Technotrend Trading Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	-	100	Inactive 暫無業務

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20. INVESTMENTS IN SUBSIDIARIES

(continued)

- # Wholly-foreign-owned enterprises
- ## The non-voting deferred shares carrying the right to one-half of the profits after the holders of the ordinary shares have received a dividend of HK\$1,000,000,000,000, have no right to vote at general meetings, and carry the right to receive one-half of the balance of any surplus in a return of capital in a winding-up after the holders of the ordinary shares have received a total return of HK\$500,000,000,000,000. None of the non-voting deferred shares was held by members of the Group at the end of the reporting period.
- * Companies incorporated during the year
- ** The English name is for identification purpose only

20. 於附屬公司之投資(續)

- # 外商獨資企業
- ## 無投票權遞延股份附帶權利可在普通股持有人收取港幣1,000,000,000,000元股息後獲得一半溢利，但無權於股東大會投票，清盤時則可在普通股持有人收取退回資本總額港幣500,000,000,000,000元後收取任何盈餘的一半餘額作為退回股本。本集團各成員公司於報告期間結算日概無持有無投票權遞延股份。
- * 於年內註冊成立之公司
- ** 英文名稱僅供識別

21. INVENTORIES

21. 存貨

		Group 本集團	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Raw materials	原材料	429	1,466
Work in progress	在製品	6,743	-
		7,172	1,466

22. ACCOUNTS RECEIVABLES

22. 應收賬款

		Group 本集團	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Accounts receivables	應收賬款	9,801	33,541
Less: Impairments (note 14)	減：減值(附註14)	-	(32,710)
		9,801	831

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22. ACCOUNTS RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days extending up to 90 days for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group had certain concentration of credit risk as approximately 63% (2010: 100%) and 100% (2010: 100%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively.

The aging analysis of accounts receivables at the end of the reporting period, based on the invoice date, is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
30 days or less	30日或以下	5,261	831
31 to 60 days	31日至60日	4,540	-
		9,801	831

The movements in the Group's provision for impairment of accounts receivables are as follows:

		HK\$'000 港幣千元
Balance at beginning of the year	年初結餘	32,710
Deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬	(5,823)
Deconsolidation of Scheme Subsidiaries	取消計劃附屬公司綜合入賬	(26,887)
Balance at end of the year	年底結餘	-

22. 應收賬款(續)

本集團與客戶之貿易條款主要是信貸方式。信貸期一般為30日，主要客戶的信貸期則延至最多為90日。本集團力求對其未收回應收款項維持嚴謹控制，以盡量減低信貸風險。逾期未償還款項由高層管理人員定期審閱。於報告期間結算日，本集團之若干信貸風險集中，原因為本集團貿易應收賬款約63% (二零一零年：100%) 及100% (二零一零年：100%) 分別來自本集團最大貿易債務人及五名最大貿易債務人。

於報告期間結算日按發票日期計算的應收賬款之賬齡分析如下：

本集團應收賬款減值撥備之變動情況如下：

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22. ACCOUNTS RECEIVABLES (continued)

Included in the provision for impairment of accounts receivables at 31 March 2010 were individually impaired accounts receivables of approximately HK\$32,710,000 with an equivalent gross carrying amount at the end of last reporting period. The individually impaired accounts receivables related to customers that were in default of payment. The Group did not hold any collateral or other credit enhancements over these balances.

At the end of the reporting period, the Group's accounts receivables that were neither past due nor impaired which relate to a variety of diversified customers for whom there was no recent history of default.

22. 應收賬款(續)

於二零一零年三月三十一日，應收賬款之減值撥備中計入個別減值應收賬款約港幣32,710,000元，相當於上一個報告期間結算日之賬面總值。個別減值應收賬款與拖欠付款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

於報告期間結算日，本集團之應收賬款並無逾期或減值。該應收賬款屬於一些近期並無欠債記錄之不同類別客戶之應收款項。

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收款項

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Prepayments	預付款項	621	7,119
Deposits and other receivables	按金及其他應收款項	1,644	4,615
		2,265	11,734
Less: Impairments (note 14)	減：減值(附註14)	(211)	(10,799)
		2,054	935

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Included in the impairment recognised in respect of prepayments, deposits and other receivables are individually impaired deposits and other receivables of approximately HK\$211,000 (2010: HK\$10,799,000) with an equivalent gross carrying amount at the end of the reporting period. The individually impaired other receivables relate to counterparties that were in default of payment. The Group does not hold any collateral or other credit enhancements over these balances.

Save as disclosed, none of the above assets is either past due nor impaired and the financial assets included in the above balances related to receivables for which there was no recent history of default.

24. DUE FROM A SCHEME SUBSIDIARY/ DUE TO DIRECTORS

The amounts due from a scheme subsidiary and due to directors were unsecured, interest free and had no fixed term of repayment. Further details of the amounts due from the scheme subsidiary are explained in note 11(c) to these financial statements.

25. CASH AND BANK BALANCES

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$846,000 (2010: HK\$3,072,000). The RMB is not freely convertible into other currencies, however, under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

23. 預付款項、按金及其他應收款項(續)

預付款項、按金及其他應收款項已確認減值中計入個別減值按金及其他應收款項約港幣211,000元(二零一零年：港幣10,799,000元)，與報告期間結算日之賬面總值相同。個別減值之其他應收款項與拖欠還款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

除所披露者外，概無上述資產已逾期或減值，而上述結餘包括之金融資產與近期並無拖欠記錄之應收款項有關。

24. 應收一家計劃附屬公司款項／應付董事款項

應收一家計劃附屬公司款項及應付董事款項乃無抵押、免息及無固定還款期。應收該計劃附屬公司款項之其他詳情於此等財務報表附註11(c)闡述。

25. 現金及銀行結存

於報告期間結算日，本集團以人民幣(「人民幣」)計值之現金及銀行結存約為港幣846,000元(二零一零年：港幣3,072,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管理法及結匯、售匯及付匯管理規定，本集團獲准在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每天銀行存款利率按浮動利率賺取利息。銀行結存乃存放於並無近期拖欠記錄的良好信譽銀行。現金及銀行結存之賬面值與其公平值相若。

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26. ACCOUNTS PAYABLES

The aging analysis of accounts payables at the end of the reporting period, based on the invoice date, is as follows:

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 港幣千元	HK\$'000 港幣千元
30 days or less	30日或以下	327	134
31 to 60 days	31日至60日	1,473	–
61 to 90 days	61日至90日	275	225
Over 90 days	超過90日	170	318,851
		2,245	319,210

26. 應付賬款

於報告期間結算日按發票日期計算的應付賬款之賬齡分析如下：

27. ACCRUALS AND OTHER PAYABLES

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Other payables	其他應付款項	12,047	21,203
Accruals	應計費用	18,991	61,046
		31,038	82,249

27. 應計費用及其他應付款項

At the end of the reporting period, included above are loan interest and other payables to the ultimate holding company amounted to approximately HK\$958,000 and HK\$1,469,000, respectively.

於報告期間結算日，上述項目包括貸款利息及應付最終控股公司之其他款項分別約港幣958,000元及港幣1,469,000元。

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28. BORROWINGS

28. 借貸

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Bank loans	銀行貸款	112,575	272,747
Bank overdrafts	銀行透支	–	13,178
Loans from the ultimate holding company	來自最終控股公司之貸款	64,700	–
Other loans	其他貸款	91,245	122,782
		268,520	408,707
Secured	有抵押	131,245	277,915
Unsecured	無抵押	137,275	130,792
		268,520	408,707
Carrying amounts repayable:	須予償還賬面值：		
Within one year or on demand, disclosed as current liabilities	一年內或按要求償還， 披露為流動負債	186,755	408,707
More than one year, but not exceeding two year, disclosed as non-current liabilities	一年後但不超過兩年， 披露為非流動負債	81,765	–
		268,520	408,707

Bank loans and overdrafts of approximately HK\$112,575,000 (2010: HK\$285,925,000) are arranged at floating rates at the range from 6.9% to 13% per annum. Interest-bearing other borrowings are arranged at fixed interest rates at the range from 2% to 36% per annum.

銀行貸款及透支約港幣112,575,000元(二零一零年：港幣285,925,000元)按介乎年息6.9厘至13厘之浮動利率安排。其他計息借貸按介乎年息2厘至36厘之固定利率安排。

At 31 March 2011, the Group's bank borrowings of approximately HK\$112,575,000 were secured by the mortgages over the leasehold lands and buildings of a Scheme Subsidiary which had the estimated market value of approximately RMB145,000,000 (equivalent to approximately HK\$171,825,000) at the end of the reporting period.

於二零一一年三月三十一日，本集團之銀行借貸約港幣112,575,000元以計劃附屬公司之租賃土地及樓宇按揭作抵押，於報告期間結算日，有關按揭估計市值約為人民幣145,000,000元(相當於約港幣171,825,000元)。

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28. BORROWINGS (continued)

At 31 March 2010, the Group's bank borrowings of approximately HK\$159,669,000 were secured by a corporate guarantee granted by the Company, cross-corporate guarantees granted by certain subsidiaries and the Company, all monies debenture executed by certain subsidiaries of the Company, and the mortgages over certain of the Group's leasehold lands and buildings which had the aggregate carrying amounts of approximately HK\$126,082,000.

At the end of the reporting period, the Group's other loans of approximately HK\$91,245,000 (2010: HK\$78,246,000) were secured by the mortgages over the Group's leasehold land and buildings which had the aggregate carrying amounts of approximately HK\$172,518,000 (2010: HK\$135,581,000) and equipment and tools with the carrying amounts of approximately HK\$14,199,000 (2010: HK\$nil). The loans from the ultimate holding company of HK\$40,000,000 (2010: HK\$40,000,000 included in other loans) were secured by a share charge over the entire issued capital of a wholly-owned subsidiary of Company.

28. 借貸(續)

於二零一零年三月三十一日，本集團之銀行借貸約港幣159,669,000元以本公司作出之企業擔保及本公司若干附屬公司作出之相互企業擔保、本公司若干附屬公司簽立之全數金額債券以及賬面總值約港幣126,082,000元之本集團若干租賃土地及樓宇之按揭作抵押。

於報告期間結算日，本集團之其他貸款約港幣91,245,000元(二零一零年：港幣78,246,000元)以本集團賬面總值約港幣172,518,000元(二零一零年：港幣135,581,000元)之租賃土地及樓宇按揭以及賬面值約港幣14,199,000元(二零一零年：港幣零元)之設備及工具作抵押。來自最終控股公司之貸款港幣40,000,000元(二零一零年：港幣40,000,000元，計入其他貸款)以本公司全資附屬公司全部已發行股本之股份質押作抵押。

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29. FINANCE LEASE PAYABLE

The Group leases certain of its plant and machinery for its operations for the year ended 31 March 2010. Those leases were classified as finance leases and had a remaining lease term of one year. At 31 March 2010, the present value of minimum lease payment of the Group was approximately HK\$3,387,000 and the total future minimum lease payments under finance leases were as follows:

		Minimum lease payments 最低租金 2010 二零一零年 HK\$'000 港幣千元
Total minimum finance lease payments payable within one year	一年內應付之融資租賃 最低租金總額	3,407
Future finance charges	未來融資費用	(20)
Total net finance lease payables classified as current liabilities	分類為流動負債之總融資租賃 應付款項淨額	3,387

30. FINANCIAL GUARANTEE LIABILITIES

At the end of the last reporting period, the Company had given corporate guarantees to certain banks to secure for general banking facilities granted to its subsidiaries, and approximately HK\$169,165,000 of those were utilised by the subsidiaries as at that date. During the prior year, the Group had breached certain terms and defaulted on the repayment of certain bank borrowings. It was probable that the Company would be liable to the claims under any of those guarantees. Accordingly, a provision for financial guarantee liabilities of approximately HK\$157,795,000 had been made against the probable uncovered exposures to be borne by the Company under the guarantees at the end of last reporting period. At 31 March 2011, the Company did not have any uncovered exposures in respect of financial guarantees granted.

29. 融資租賃應付款項

截至二零一零年三月三十一日止年度，本集團租用其若干廠房及機器作業務運作之用。該等租約列為融資租賃，餘下租期為一年。於二零一零年三月三十一日，融資租賃項下本集團之最低租金現值約為港幣3,387,000元及未來最低租金總額如下：

30. 財務擔保負債

於上一個報告期間結算日，本公司就其附屬公司所獲一般銀行融資向若干銀行作出公司擔保，而截至該日附屬公司已動用其中約港幣169,165,000元。過往年度，本集團曾違反若干條款及拖欠償還若干銀行借貸。本公司可能將要承擔任何該等擔保項下之申索。因此，於上一個報告期間結算日，本公司已就擔保項下其可能須承擔之無保障安排風險作出財務擔保負債撥備約港幣157,795,000元。於二零一一年三月三十一日，本公司並無有關已授出財務擔保之無保障安排風險。

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31. DEFERRED TAX LIABILITIES

The movements in deferred tax during the year are as follows:

31. 遞延稅項負債

年內之遞延稅項變動如下：

		Group 本集團			
		Accelerated tax depreciation	Development costs	Revaluation of properties	Total
		加速稅項折舊	開發成本	重估物業	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2009	於二零零九年四月一日	16,732	1,495	35,256	53,483
Credited to income statement for the year	年內於收益表計入	(12,993)	(1,495)	-	(14,488)
Credited to other comprehensive income:	計入於其他全面收入：				
- Release on disposal	- 於出售時解除	-	-	(624)	(624)
- Deficit on revaluation	- 重估虧絀	-	-	(6,901)	(6,901)
Exchange differences	匯兌差額	-	-	7	7
At 31 March 2010 and 1 April 2010	於二零一零年三月三十一日及 二零一零年四月一日	3,739	-	27,738	31,477
Deconsolidation of a liquidating subsidiary	取消一家清盤附屬公司綜合入賬	(3,726)	-	(388)	(4,114)
Deconsolidation of Scheme Subsidiaries	取消計劃附屬公司綜合入賬	(13)	-	(20,698)	(20,711)
Deferred tax debited to other comprehensive income: surplus on revaluation	於其他全面收入扣除之 遞延稅項：重估盈餘	-	-	8,890	8,890
Exchange differences	匯兌差額	-	-	302	302
At 31 March 2011	於二零一一年三月三十一日	-	-	15,844	15,844

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31. DEFERRED TAX LIABILITIES (continued)

At the end of the reporting period, the Group had tax losses arising in Hong Kong of approximately HK\$301,000 (2010: HK\$286,922,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The allowable losses of the Company's subsidiaries incorporated in Hong Kong are yet to be agreed by the IRD. At the end of the reporting period, the Group also had tax losses arising in the Mainland China of approximately HK\$21,895,000 (2010: HK\$98,551,000) that will expire in one to five years for offsetting against future taxable profit. Deferred tax assets have not been recognised in respect of these losses as the Directors consider not probable that these subsidiaries will have sufficient future taxable profits against which those tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the Mainland China in respect of earnings generated from 1 January 2008.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiary established in the Mainland China, as the subsidiary did not have any distributable earnings at the end of the reporting period.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. 遞延稅項負債(續)

於報告期間結算日，本集團有於香港產生之稅項虧損約港幣301,000元(二零一零年：港幣286,922,000元)，可無限期結轉，以抵銷產生虧損之公司未來應課稅溢利。本公司於香港註冊成立附屬公司之可扣稅虧損尚未獲稅務局同意。於報告期間結算日，本集團亦有於中國大陸產生之稅項虧損約港幣21,895,000元(二零一零年：港幣98,551,000元)，將於一至五年內屆滿，可用以抵銷未來應課稅溢利。董事認為該等附屬公司可能並無充足未來應課稅溢利以對銷該等可動用之稅項虧損，因此，並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派之股息將徵收10%預扣稅。該規定於二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生之盈利。倘中國與外國投資者所屬司法權區之間訂有稅務優惠協議，則可應用較低之預扣稅率。本集團之適用稅率為5%或10%。因此，本集團須就該等於中國大陸成立之附屬公司自二零零八年一月一日起產生之盈利分派股息繳納預扣稅。

於報告期間結算日，由於本集團於中國大陸成立之附屬公司並無任何可供分派盈利，故並無就於該等附屬公司之未匯出盈利應付預扣稅確認任何遞延稅項。

本公司派付予其股東之股息並無附帶所得稅後果。

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32. SHARE CAPITAL

32. 股本

	Notes 附註	2011 二零一一年			2010 二零一零年		
		No. of shares 股份數目	Per share 每股	Amount 金額	No. of shares 股份數目	Per share 每股	Amount 金額
			HK\$ 港幣	HK\$'000 港幣千元		HK\$ 港幣	HK\$'000 港幣千元
Ordinary shares of HK\$0.1 each at 1 April 2010 and HK\$0.01 each at 31 March 2011	二零一零年四月一日每股面值港幣0.1元及於二零一一年三月三十一日每股面值港幣0.01元的普通股						
Authorised:	法定：						
At beginning of year	年初	3,000,000,000	0.10	300,000	3,000,000,000	0.10	300,000
Share Subdivision	股份拆細	(b) 297,000,000,000	-	-	-	-	-
Share Consolidation	股份合併	(c) (270,000,000,000)	-	-	-	-	-
At 31 March	於三月三十一日	30,000,000,000	0.01	300,000	3,000,000,000	0.10	300,000
Issued and fully paid:	已發行及繳足：						
At beginning of year	年初	1,057,889,962	0.10	105,789	1,057,889,962	0.10	105,789
Capital Reduction	股本削減	(a) -	-	(104,731)	-	-	-
Share Consolidation	股份合併	(c) (952,100,966)	-	-	-	-	-
Share after Capital Reorganisation	股本重組後之股份	105,788,996	0.01	1,058	1,057,889,962	0.10	105,789
Issue of New Shares	發行新股份	(d) 962,679,864	0.01	9,627	-	-	-
At 31 March	於三月三十一日	1,068,468,860	0.01	10,685	1,057,889,962	0.10	105,789

Notes:

- (a) Upon completion of the Capital Reorganisation, the issued share capital of the Company is reduced by cancelling the paid up capital to the extent of HK\$0.099 on each issued Existing Share on the Effective Date such that the nominal value of all the issued Existing Share will be reduced from par value of HK\$0.10 to HK\$0.001 each (the "Capital Reduction").
- (b) Upon completion of the Capital Reorganisation, each of the authorised but unissued Share of par value HK\$0.10 each in the share capital of the Company be subdivided into 100 Shares of par value HK\$0.001 each on the Effective Date (the "Share Subdivision").
- (c) Subject to Capital Reduction and Share Subdivision becoming effective, the share consolidation is implemented by consolidation of every 10 issued and unissued shares of par value HK\$0.001 each into one consolidated share of par value HK\$0.01 each in the share capital of the Company (the "Share Consolidation").

附註：

- (a) 完成股本重組後，本公司已發行股本透過註銷繳足股本削減至生效日期每股已發行現有股份港幣0.099元，以致所有已發行現有股份面值由每股面值港幣0.10元減至每股面值港幣0.001元（「股本削減」）。
- (b) 完成股本重組後，本公司股本中每股面值港幣0.10元之每股法定但未發行股份將於生效日期拆細為100股每股面值港幣0.001元之股份（「股份拆細」）。
- (c) 待股本削減及股份拆細生效後，本公司透過將每股面值港幣0.001元之每10股已發行及未發行股份合併為本公司股本中一股每股面值港幣0.01元之合併股份進行股份合併（「股份合併」）。

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32. SHARE CAPITAL (continued)

Notes: (continued)

- (d) The Company entered into the subscription agreement with the Subscriber, Skill China Limited, on 15 January 2010 (as amended by the supplemental subscription agreement dated 24 June 2010). According to the subscription agreement, the subscriber agrees to subscribe for an aggregate of 909,785,366 Subscription Shares with a par value of HK\$0.01 each in the share capital of the Company at the Subscription Price of approximately HK\$0.0879 per Subscription Share resulting in the cash consideration of HK\$80 million. These shares were issued and allotted to the Subscriber on the Effective Date, and 63,473,398 Subscriptions Shares of which were transferred to the Schemeco on the same day as Option Shares for the purpose of the Creditor Scheme.

On the Effective Date, 52,894,498 Remuneration Shares with a par value of HK\$0.01 each in the share capital of the Company were issued and allotted to two financial advisors of the Company in relation of the Restructuring at a price of approximately HK\$0.0879 per Remuneration Share for settlement of part of their professional fees in relation to the Restructuring.

On the Effective Date, following transfer of the Option Shares by Skill China to Schemeco and the allotment and issue of the Remuneration Shares, Skill China was interested in 846,311,968 Shares, representing approximately 79.21% of the entire issued share capital of the Company. To restore the requirement of the minimum 25% public float under Rule 8.08(1)(a) of the Listing Rules, as disclosed in the joint announcement of the Company and the board of directors of Skill China Limited dated 31 December 2010 (the "Announcement"), upon the close of the Offer and Completion of the Placing to restore the minimum 25% public float requirement, Skill China was interested in 739,164,898 Shares, representing approximately 69.18% of the entire issued share capital of the Company, and remains as the controlling shareholder of the Company.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

32. 股本(續)

附註：(續)

- (d) 本公司於二零一零年一月十五日與認購人華能有限公司訂立認購協議(經日期為二零一零年六月二十四日之補充認購協議修訂)。根據認購協議，認購人同意按認購價每股認購股份約港幣0.0879元認購本公司股本中合共909,785,366股每股面值港幣0.01元之認購股份，所帶來現金代價港幣80,000,000元。該等股份於生效日期已發行及配發予認購人，其中63,473,398股認購股份於同日就債權人計劃以期權股份之方式轉讓予計劃公司。

於生效日期，本公司股本中52,894,498股每股面值港幣0.01元之酬金股份已按每股酬金股份約港幣0.0879元之價格就重組發行及配發予本公司兩名財務顧問，以償付有關重組之部分專業費用。

於生效日期，華能向計劃公司轉讓期權股份以及配發及發行酬金股份後，華能於846,311,968股股份中擁有權益，相當於本公司全部已發行股本約79.21%。誠如本公司與華能有限公司董事會所訂立日期為二零一零年十二月三十一日之聯合公佈(「該公佈」)所披露，為重新符合上市規則第8.08(1)(a)條項下有關25%最低公眾持股量之規定，收購建議結束時及配售完成後，為重新符合有關25%最低公眾持股量之規定，華能於739,164,898股股份中擁有權益，相當於本公司全部已發行股本約69.18%，故華能仍為本公司控股股東。

資本管理

本集團資本管理之主要目的為保障本集團持續經營之能力及維持穩健資本比率以支持其業務及盡量提高股東價值。

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32. SHARE CAPITAL (continued)

Capital management (continued)

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Except for the compliance of certain bank covenants for maintaining the Group's bank facilities, the Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the two years ended 31 March 2011 and 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital. The Group's policy is aimed to maintain the gearing ratio below 100%. Net debts include bank and other borrowings less cash and bank balances. Capital represents total equity. The gearing ratios at the end of reporting period were as follows:

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Bank and other borrowings	銀行及其他借貸	268,520	412,094
Less: Cash and bank balances	減：現金及銀行結存	(8,927)	(30,176)
Net debts	債務淨額	259,593	381,918
Capital	資本	58,515	(423,310)
Gearing ratio	資本負債比率	444%	不適用#

As the Group had a net deficiency in capital at 31 March 2010, the Group's gearing ratio as at that date was not applicable.

32. 股本(續)

資本管理(續)

本集團根據經濟狀況變化管理其資本結構及作出調整。本集團或會透過調整對股東派發之股息、向股東發還資本或發行新股以維持或調整資本結構。除遵守若干銀行契約以維持本集團之銀行信貸外，本集團不受任何外部實施之資本規定限制。於截至二零一一年及二零一零年三月三十一日止兩個年度，資本管理之目標、政策或程序概無轉變。

本公司使用資本負債比率(債務淨額除以資本)監察資本。本集團之政策目標乃維持資本負債比率於100%以下。債務淨額包括銀行及其他借貸減現金及銀行結存。資本指總權益。於報告期間結算日之資本負債比率如下：

由於本集團於二零一零年三月三十一日有資本虧絀淨額，故本集團之資本負債比率於該日並不適用。

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32. SHARE CAPITAL (continued)

Capital management (continued)

The gearing ratio as at 31 March 2011 exceeded 100%. In view of such circumstance, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Further details are explained in note 2 to these financial statements.

33. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentive and rewards to eligible participants who contribute to the success of the Group's operation. Eligible participants of the Option Scheme include the Company's executive directors or employees of the Group. The Option Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 16 October 1997 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. No option may be granted to any employee which, if exercised in full, would result in the total number of shares already issued and issuable to him/her under the Option Scheme exceeding 25% of the maximum aggregate number of shares subject to the Option Scheme at the time it is proposed to grant the relevant option to such employee.

The exercise price of the share options is determined by the Directors and is equal to the higher of: (i) the nominal value of the shares; and (ii) a price which is not less than 85% of the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant of such options.

32. 股本(續)

資本管理(續)

於二零一一年三月三十一日，資本負債比率超過100%。鑑於有關狀況，董事評估本集團是否有足夠財務資源持續經營時，已審慎考慮本集團之未來流動資金狀況及表現以及其可動用財務資源。其他詳情於此等財務報表附註2闡述。

33. 購股權計劃

本公司設有購股權計劃(「購股權計劃」)，旨在向該等對本集團業務成就有所貢獻的合資格參與人士提供獎勵及獎賞。購股權計劃合資格參與人士包括本公司執行董事或本集團僱員。購股權計劃於本公司股份於一九九七年十月十六日在聯交所上市後生效，除被取消或修訂外，該計劃將自該日起生效，為期十年。

根據購股權計劃目前獲准授出的尚未行使購股權數目，於購股權獲行使時最多為本公司於任何時間已發行股份的10%等值金額。倘向任何僱員授出購股權，而全面行使有關購股權將導致根據購股權計劃已發行及可發行予該名僱員的股份總數，超過在建議授出有關購股權予該名僱員之時購股權計劃所涉及股份總數上限25%，則不得向該名僱員授出購股權。

購股權行使價由董事釐定，相等於下列較高者：(i)股份面值；及(ii)不低於本公司股份在緊接授出有關購股權當日前五個交易日在聯交所的平均收市價85%的價格。

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33. SHARE OPTION SCHEME (continued)

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

An option may be exercised in accordance with the terms of the Option Scheme at any time from the date of acceptance of the option by an employee or such later date as may be fixed by the Directors, to any date prior to the 10th anniversary of such date, provided that the employee can only exercise a maximum of 20% of the options granted to him/her in each 12-month period following the commencement of the relevant option period. The consideration to be paid by the employee upon acceptance of a grant of options is HK\$1.00.

With effect from 1 September 2001, the Stock Exchange requires that the exercise price of options is at least the higher of the closing prices of the shares on the Stock Exchange on the date of grant and the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the approval date of these financial statements, the Company has not granted any options on or after 1 September 2001.

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

33. 購股權計劃(續)

購股權並不賦予持有人享有股息或可於股東大會投票之權利。

僱員可自接納購股權之日或董事可能訂定的較後日期起至該日期起計滿十週年前之日期止期間，隨時按照購股權計劃的條款行使購股權，惟有關僱員在有關購股權期間開始後各個12個月期間僅可行使最多達其獲授購股權的20%。僱員在接納授出之購股權時須支付的代價為港幣1.00元。

自二零零一年九月一日起，聯交所規定購股權最低行使價須為下列較高者：股份於授出日期在聯交所的收市價及股份在緊接授出日期前五個交易日在聯交所的平均收市價。截至此等財務報表批准日期，本公司於二零零一年九月一日或之後並無授出任何購股權。

年內，購股權計劃下尚未行使的購股權如下：

		Number of share options	
		購股權數目	
		2011	2010
		二零一一年	二零一零年
		('000)	('000)
		(千份)	(千份)
Outstanding at beginning of year	於年初尚未行使	25,455	47,130
Lapsed during the year	於年內失效	(25,455)	(21,675)
Outstanding at end of year*	於年結日尚未行使*	–	25,455

* The exercise price and weighted average exercise price of all outstanding share options was HK\$0.467 per share, which is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital. The exercise period for the outstanding options ranged from 10 April 2000 to 9 April 2010.

* 所有尚未行使購股權之行使價及加權平均行使價為每股港幣0.467元，可因應供股或發行紅股，或本公司股本其他類似變動作調整。尚未行使購股權之行使期介乎二零零零年四月十日至二零一零年四月九日。

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33. SHARE OPTION SCHEME (continued)

At the end of the reporting period, the Company had no (2010: 25,455,000) outstanding share options under the Option Scheme. At 31 March 2010, the exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 25,455,000 additional shares totalling HK\$2,545,500 and share premium of HK\$9,342,000, before issue expenses. At 31 March 2010, 25,455,000 share options outstanding under the Option Scheme represented approximately 2.4% of the shares of the Company in issue at that date.

34. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

The contributed reserve of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange over the nominal value of the Company's shares issued in exchange therefor.

33. 購股權計劃(續)

於報告期間結算日，本公司並無購股權計劃項下尚未行使之購股權(二零一零年：25,455,000份)。於二零一零年三月三十一日，按本公司現有股本結構計算，全面行使餘下購股權將導致本公司發行額外25,455,000股股份，合共港幣2,545,500元及股份溢價港幣9,342,000元(未計發行開支)。於二零一零年三月三十一日，購股權計劃項下尚未行使之25,455,000份購股權相當於該日本公司已發行股份約2.4%。

34. 儲備

(a) 本集團

本集團之儲備及有關變動數額於綜合全面收益表及綜合權益變動表呈列。

本集團的繳入儲備指本集團之前控股公司因就籌備本公司股份在聯交所上市而整頓本集團結構所進行集團重組所得股本面值，超出本公司就交換有關股本而發行股份面值的差額。

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34. RESERVES (continued)

(b) Company

34. 儲備(續)

(b) 本公司

		Share capital	Share premium account	Contributed reserve	(Accumulated losses)/ retained profits	Total
	Notes	HK\$'000	HK\$'000	HK\$'000	(累計虧損)/ 保留溢利	HK\$'000
	附註	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2009	於二零零九年四月一日	105,789	71,388	58,794	33,646	269,617
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	(428,402)	(428,402)
At 31 March 2010 and 1 April 2010	於二零一零年 三月三十一日及 二零一零年四月一日	105,789	71,388	58,794	(394,756)	(158,785)
Total comprehensive income for the year	本年度全面收入總額	-	-	-	68,158	68,158
Capital reorganisation:	股本重組：					
- capital reduction	- 股本削減	34(c)(iii)	(104,731)	104,731	-	-
- issue of shares	- 發行股份	32	9,627	75,022	-	84,649
- share premium cancellation	- 股份溢價註銷	34(c)(i)	-	(71,388)	71,388	-
- set-off accumulated losses against contributed reserve	- 將累計虧損抵銷 繳入儲備	34(c)(iii)	-	-	(176,399)	176,399
At 31 March 2011	於二零一一年三月三十一日	10,685	75,022	58,514	(150,199)	(5,978)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

34. RESERVES (continued)

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law (2002 Revision) of the Cayman Islands, the share premium account of the Company is available for distribution to shareholders, subject to the provisions of the Company's memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the Directors, the Company's reserves available for distribution represent the share premium account, contributed reserve and retained profits.

During the year ended 31 March 2011, the amount of approximately HK\$71,388,000 standing to the credit of the share premium account of the Company as at 31 March 2010 was cancelled ("Share Premium Cancellation") pursuant to a resolution of the Company. The credit arising from the Share Premium Cancellation was transferred to the contributed reserve account of the Company.

(ii) Contributed reserve

The contributed reserve of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange over the nominal value of the Company's shares issued in exchange therefor.

34. 儲備(續)

(c) 儲備性質及用途

(i) 股份溢價賬

根據開曼群島公司法(二零零二年修訂本)，在本公司組織章程大綱或細則條文規限下，本公司股份溢價賬可用作分派予股東，惟本公司須於緊隨派發股息後能夠償還其在日常業務中到期的債項。董事認為，本公司可供分派的儲備為股份溢價賬、繳入儲備及保留溢利。

截至二零一一年三月三十一日止年度，根據本公司一項決議案，於二零一零年三月三十一日，本公司股份溢價賬之進賬額約港幣71,388,000元已註銷(「股份溢價註銷」)。股份溢價註銷產生之進賬轉撥至本公司之繳入儲備賬。

(ii) 繳入儲備

本集團的繳入儲備指本集團之前控股公司因就籌備本公司股份在聯交所上市而整頓本集團結構所進行集團重組所得股本面值，超出本公司就交換有關股本而發行股份面值的差額。

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財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

34. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(ii) Contributed reserve (continued)

During the year ended 31 March 2011, upon the completion of the Capital Reduction of the Company, the issued share capital of the Company was reduced from approximately HK\$105,789,000 to approximately HK\$1,058,000. The Capital Reduction resulted in the decrease of the issued share capital of the Company by approximately HK\$104,731,000. Such amount was credited to the contributed reserve account of the Company. The credits arising from the Share Premium Cancellation and Capital Reduction in aggregate amounts of approximately HK\$176,119,000 were transferred to the contributed reserve account of the Company. The Directors were authorised to utilise the amounts of approximately HK\$176,399,000 to set off against the accumulated losses of the Company.

(iii) Property revaluation reserve

The property revaluation reserve has been set up and are dealt with in accordance with the accounting policies adopted for buildings in note 4 to these financial statements.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 4 to these financial statements.

34. 儲備(續)

(c) 儲備性質及用途(續)

(ii) 繳入儲備(續)

截至二零一一年三月三十一日止年度，本公司之股本削減完成後，本公司已發行股本由約港幣105,789,000元減至約港幣1,058,000元。股本削減導致本公司已發行股本減少約港幣104,731,000元。有關金額計入本公司之繳入儲備賬。股份溢價註銷及股本削減產生進賬合共約港幣176,119,000元，已轉撥至本公司之繳入儲備賬。董事獲授權動用約港幣176,399,000元抵銷本公司之累計虧損。

(iii) 物業重估儲備

物業重估儲備已根據此等財務報表附註4就樓宇所採納會計政策設立及處理。

(iv) 外幣換算儲備

外幣換算儲備包括換算海外業務財務報表所產生所有匯兌差額。該儲備已根據此等財務報表附註4所載會計政策處理。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

35. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

- (a) On the Effective Date, 909,785,366 Subscription Shares with a par value of HK\$0.01 were issued and allotted to a new investor, Skill China Limited, for the cash consideration of HK\$80 million (approximately HK\$0.0879 per Subscription Share). Based on the Creditor Scheme, all proceeds from the issuance of the Subscription Shares was made available to the Administrators to settle and discharge the Claims under the Creditor Scheme.
- (b) During the prior year, the Group disposed of certain items of property, plant and equipment and inventories for the consideration of approximately HK\$15,876,000 and HK\$4,196,000 respectively. These amounts were fully utilised to settle part of salary payables of the Group. Further details of which are included in note 19 to these financial statements.

35. 主要非現金交易

本集團進行之以下非現金投資及融資活動並無於綜合現金流量表反映：

- (a) 於生效日期，已向一名新投資者華能有限公司發行及配發909,785,366股面值港幣0.01元之認購股份，現金代價為港幣80,000,000元（每股認購股份約港幣0.0879元）。根據債權人計劃，發行認購股份所有所得款項供管理人用作償付及釋除債權人計劃項下申索。
- (b) 過往年度，本集團曾售出若干物業、廠房及設備項目以及存貨，代價分別約港幣15,876,000元及港幣4,196,000元。有關款項已悉數用作支付本集團部分應付薪金。有關其他詳情載於此等財務報表附註19。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

36. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases certain of its properties under operating lease arrangement, with leases negotiated for terms ranging from 1 to 8 years. The terms of leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. At 31 March 2011, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		HK\$'000 港幣千元
Within one year	一年內	2,487
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	9,641
After five years	五年後	1,536
		13,664

(b) As lessee

The Group leases certain of its buildings under operating lease arrangements, with leases negotiated for a term ranging from one to two years. At 31 March 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		HK\$'000 港幣千元
Within one year	一年內	1,116
In the second to fifth year inclusive	第二至五年(包括首尾兩年)	181
		1,297

(c) At 31 March 2010, the Group neither had minimum leases receivable nor payments under any of non-cancellable operating lease arrangement.

36. 經營租賃安排

(a) 作為出租人

本集團按照經營租賃安排出租其若干物業，租期經磋商後介乎一至八年。租賃條款一般亦要求租戶支付抵押按金，且會定期按當時市況調整租金。於二零一一年三月三十一日，本集團於與其租戶訂立之不可撤回經營租賃項下未來最低應收租金款項總額將於以下期間到期：

(b) 作為承租人

本集團按照經營租賃安排租賃若干樓宇，租期經磋商後介乎一至兩年。於二零一一年三月三十一日，本集團於不可撤回經營租賃項下未來最低租金款項總額於下列期間到期：

(c) 於二零一零年三月三十一日，本集團並無最低應付租金，於不可撤回經營租賃安排下亦無任何付款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

37. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the capital commitments contracted but not provided for in the financial statements in respect of unpaid portion of capital contributions to an indirect wholly-owned subsidiary of the Company amounting to approximately HK\$584,000 (2010: HK\$nil).

38. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following related party and connected transactions during the year:

- (a) Compensation of key management personnel of the Group:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	5,319	7,524
Post-employment benefits	退休福利	67	284
Total compensation paid to key management personnel	已付主要管理人員補償總額	5,386	7,808

Further details of directors' emoluments are included in note 15 to these financial statements.

- (b) Details of the Group's amounts due to the Directors are included in note 24 to these financial statements.

37. 資本承擔

於報告期間結算日，本集團已訂約但未於財務報表撥備之資本承擔涉及本公司間接全資附屬公司注資未繳部分，約為港幣584,000元(二零一零年：港幣零元)。

38. 關連人士交易

除財務報表其他部分所詳述交易及結餘外，本集團於本年度有下列關連人士及關連交易：

- (a) 本集團主要管理人員之補償：

董事酬金之其他詳情載於此等財務報表附註15。

- (b) 本集團應付董事款項之詳情載於此等財務報表附註24。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

38. RELATED PARTY TRANSACTIONS

(continued)

(c) As disclosed in notes 27 and 28 to these financial statements, at the end of the reporting period, the Group had outstanding loan interest and other payable of approximately HK\$958,000 and HK\$1,469,000, respectively, and loans from the Company's ultimate holding company of approximately HK\$64,700,000. Included in loans from the ultimate holding company, HK\$40,000,000 (2010: HK\$40,000,000 included in other loans) is secured by a share charge over the entire issued capital of a wholly-owned subsidiary of the Company and repayable within one year, and the rest of them are unsecured and without fixed terms of repayment. The secured loans from the ultimate holding company are interest-bearing at 2% per annum. During the year, the Group paid loan interest of approximately HK\$800,000 to the ultimate holding company.

39. COMPARATIVE FIGURES

As further explained in note 3 to these financial statements, due to the adoption of certain revised HKFRSs during the current year, the presentation of certain items, balances and the related explanatory notes to these financial statements have been revised to comply with the new requirements. Accordingly, certain comparative figures have been re-presented to conform with the current year's presentation.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 28 June 2011.

38. 關連人士交易(續)

(c) 誠如此等財務報表附註27及28所披露，於報告期間結算日，本集團之尚未行使貸款利息及其他應付款項以及來自本公司最終控股公司之貸款分別約為港幣958,000元、港幣1,469,000元及港幣64,700,000元。來自最終控股公司之貸款當中，港幣40,000,000元(二零一零年：港幣40,000,000元，計入其他貸款)以涉及本公司全資附屬公司全部已發行股本之股份質抵作抵押，並須於一年內償還，餘額為無抵押，且無固定還款期。來自最終控股公司之有抵押貸款按年利率2厘計息。年內，本集團已付最終控股公司貸款利息約港幣800,000元。

39. 比較數字

誠如此等財務報表附註3進一步闡明，由於在本年度採納若干經修訂香港財務報告準則，為符合新規定，已修訂若干項目、結餘及有關此等財務報表說明附註之呈列方式。因此，若干比較數字已重列，以符合本年度之呈列方式。

40. 財務報表之批准

此等財務報表已於二零一一年六月二十八日獲董事會批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務資料概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

以下載列為本集團過去五個財政年度之業績、資產及負債概要，此等資料乃摘錄自己刊發經審核財務報表，並已作出適當重列／重新分類。

RESULTS	業績	Year ended 31 March 截至三月三十一日止年度				
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
CONTINUING OPERATIONS	持續經營業務					
REVENUE	收入	77,394	486,237	2,055,805	2,120,846	2,316,557
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	388,444	(805,396)	(152,458)	12,014	21,725
Income tax	所得稅	-	14,982	(140)	(13,515)	(6,760)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年度溢利／(虧損)	388,444	(790,414)	(152,598)	(1,501)	14,965
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	已終止經營業務之本年度溢利／(虧損)	-	-	(22,289)	7,186	9,047
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	388,444	(790,414)	(174,887)	5,685	24,012
ASSETS AND LIABILITIES	資產及負債					
TOTAL ASSETS	資產總值	377,420	436,134	1,245,569	1,717,475	1,483,583
TOTAL LIABILITIES	負債總額	(318,905)	(859,444)	(858,889)	(1,155,725)	(942,213)
Net assets/(liabilities)	資產／(負債)淨值	58,515	(423,310)	386,680	561,750	541,370

PROPERTY HELD BY THE GROUP

本集團持有之物業

31 March 2011

二零一一年三月三十一日

Particulars of property held by the Group as at 31 March 2011 are as follows:

本集團於二零一一年三月三十一日持有之物業詳情如下：

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

本集團在中國持有之物業權益

	Type 種類	Lease term 租期
1. A factory complex located at the Industrial Area No. Two in Huangjiabo Village ShiPai Town, Shi Pai Dongguan City Guangdong Province The PRC	Industrial	Medium
位於中國 廣東省 東莞市 石排石排鎮 黃家壩村 二號工業園之 綜合工業園	工業	中期

